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Attorneys for Debtor and Debtor in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF UTAH, CENTRAL DIVISION

In re:	)
	) Chapter 11
IRON ORE MINES LLC,	) Case No. 02-35386 (GEC)
	) Case Nos. 02-35385 through 02-35390 (GEC)
Debtor and Debtor in Possession.	) Jointly Administered
	)
	) [FILED ELECTRONICALLY]
	)
	) <u>Hearing Date:</u> January 19, 2005 at 11:00 a.m. MST
	) <u>Objection Deadline:</u> January 4, 2005 at 4:30 p.m. MST

**DEBTOR'S MOTION FOR ENTRY OF ORDER (1) AUTHORIZING AND APPROVING  
 THE SALE OF CERTAIN REAL AND PERSONAL PROPERTY LOCATED IN IRON**



**COUNTY, UTAH TO WESTERN UTAH COPPER COMPANY AND PALLADON VENTURES, LTD. (SUBJECT TO HIGHER AND BETTER OFFERS) OUTSIDE THE ORDINARY COURSE OF BUSINESS AND FREE AND CLEAR OF ALL INTERESTS, LIENS, CLAIMS, AND ENCUMBRANCES, PURSUANT TO 11 U.S.C. § 363(b), (f) AND (m), (2) AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS PURSUANT TO 11 U.S.C. § 365 AND (3) AUTHORIZING THE DEBTOR TO PAY A SALES COMMISSION TO GENEVA STEEL LLC**

Iron Ore Mines LLC (the "Debtor" or the "Seller"), by this motion (this "Motion"), seeks issuance and entry of an order (the "Sale Order") (in the form attached hereto as Exhibit D), (1) authorizing and approving the sale (the "Sale") of certain real and personal property located in Iron County, Utah as more fully described below, subject to higher and better offers on substantially the same terms as the asset purchase agreement (the "Agreement," attached hereto as Exhibit A, including all exhibits thereto), by and among the Debtor and Western Utah Copper Company and Palladon Ventures, Ltd. (collectively, the "Buyer"), outside the ordinary course of business and free and clear of all interests, liens, claims and encumbrances to 11 U.S.C. § 363 (b), (f) and (m) and Fed. R. Bankr. P. 2002, 6004 and 9014, (2) authorizing the Debtor to assume or assign certain executory contracts pursuant to 11 U.S.C. § 365 and Fed R. Bank. P. 6006, and (3) authorizing the Debtor to pay a sales commission to Geneva Steel LLC ("Geneva"). In support of this Motion, the Debtor respectfully states as follows:

**JURISDICTION AND VENUE**

1. The Court's exercise of jurisdiction is proper pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1391, 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).



2. The predicates for the relief requested herein are 363 and 365 of title 11, U.S. Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

### **BACKGROUND**

#### **A. Procedural History**

3. On September 13, 2002, the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtor continues to manage its property as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner or committee of creditors has been appointed in the Debtor's chapter 11 case.

4. On November 5, 2004, the Debtor filed a motion seeking authority to enter into a service agreement (the "Service Agreement") (Docket No. 92) with Geneva whereby Geneva agreed to market and sell the Acquired Assets and pay all costs and expenses associated therewith. In exchange for marketing and selling the Acquired Assets at its own expense, the Service Agreement provides that the Debtor will pay Geneva a success fee equal to twenty-one and one-half percent (21.5%) of the gross proceeds of the sale. On December 13, 2004, the Court entered an order authorizing the Debtor to enter into the Service Agreement with Geneva (Docket No. 116).

#### **B. Proposed Transaction**

5. The Debtor has successfully completed negotiations with the Buyer with respect to the Agreement whereby the Debtor agrees to sell certain real and personal property located in Iron County, Utah (the "Acquired Assets") for FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$4,800,000). The Acquired Assets are generally described as (a) real



property located in Iron County, Utah, (the "Real Property") (b) certain water rights associated the Real Property (collectively, the "Water Rights), (c) patented and unpatented mining claims (the "Mining Claims"), (d) operating rights under a large mine permit for the Iron Mountain Mine Property in Iron County Utah (the "Mine Permit"), and (e) fixtures, machinery, equipment and other items of personal property (the "Personal Property"). An exhaustive description of the Acquired Assets is set forth in Section 2.1 of the Agreement and in Schedules 2.1.1 through 2.1.3 and 2.1.5 through 2.1.7 to the Agreement.

#### **RELIEF REQUESTED**

6. By this Motion, Debtor seeks the issuance and entry of the Sale Order, in substantially the same form attached hereto as Exhibit D, (a) authorizing and approving the sale of the Acquired Assets to the Buyer (subject to the receipt of higher and better bids) on substantially the same terms as the Agreement, free and clear of all interests, liens, claims, and encumbrances, with any such interests, liens, claims and encumbrances to attach to the proceeds of sale, (b) authorizing the Debtor to assume and assign certain executory contracts, including leases, licenses, permits and approvals, to the extent assignable without the consent of any other party thereof pursuant to 11 U.S.C. § 365, and (c) authorizing the Debtor to pay a sales commission to Geneva.



## THE SALE

### A. Material Terms of the Agreement

7. Reference is made to the Agreement, appended hereto as Exhibit A, for the precise terms and conditions of the Sale. The more salient terms<sup>1</sup> include the following:

<u>Seller</u>	Iron Ore Mines LLC
<u>Buyer</u>	Western Utah Copper Company and Palladon Ventures, Ltd.
<u>Purchase Price</u>	\$4,800,000, with \$50,000 payable in wire-transferred funds as Earnest Money concurrently with the signing of the Agreement by both parties, \$1,300,000 as a Reclamation Credit to the Buyer at Closing, and the balance of the Purchase Price delivered in escrow to the Title Company at Closing to be held pending Final Closing (Section 4).

#### Acquired Assets

All of the Seller's rights, title and interest in the Acquired Assets, consisting of certain of the Debtor's real and personal property as more particularly described in Section 2.1. to the Agreement and Schedules 2.1.1 through 2.1.3 and 2.1.5 through 2.1.7 to the Agreement, including real property located in Iron County Utah (but subject to certain agricultural leases to be assumed by the Buyer) (Section 2.1.1), certain Water Rights (but subject to certain leases of such rights for agricultural purposes to be assumed by the Buyer) (Section 2.1.2), certain Mining Claims (Section 2.1.3), certain operating rights under a Mine Permit for the Iron Mountain Mine Property in Iron County, Utah (Section 2.1.4), fixtures, machinery, equipment and other items of personal property (Section 2.1.6), maps, reports, data and other files related to the Acquired Assets (Section 2.1.7), and any other property related to the Debtor's mining and agricultural operations and properties in Iron County, Utah (Section 2.1.8).

#### Excluded Assets

The Acquired Assets do not include the Debtor's business, financial, accounting and operational records, files and drawings except those identified in Section 2.1.7 to the

<sup>1</sup> To the extent this summary differs in any way from the Agreement, the Agreement shall control.



release of the Debtor and Geneva Steel LLC from DOGM, the Buyer will direct the Title Company to deliver the Purchase Price held in escrow to the Debtor and the bill of sale to the Buyer (the "Final Closing") (Section 12.3).

#### Termination

If after conducting its due diligence Buyer timely notifies the Debtor in writing of its decision not to purchase the Acquired Assets, then the Agreement shall be terminated, and the Buyer will not be obligated to purchase the Acquired Assets, though the Debtor will retain the Earnest Money (Section 7). If Final Closing has not occurred within nine (9) months after the Effective Date then either party may terminate this Agreement by written notice to the other party (Section 12.7).

#### **B. Higher and Better Bids**

8. To ensure that maximum value is obtained for the Acquired Assets, the Debtor intends to consider higher and better offers for the Acquired Assets at all times prior to the deadline to submit competitive bids, as described below. The Debtor intends to evaluate and consider all competitive bids in accordance with the Bidding Procedures appended to this Motion as Exhibit B.

9. All Qualified Bids (as defined in the Bidding Procedures) must be received in writing by Richard Ross of the Debtor, 10 South Geneva Road, Vineyard, Utah 84058, Facsimile (801) 227-9087, Telephone (801) 227-9700 and the undersigned counsel, Stephen E. Garcia, Kaye Scholer LLC, 70 West Madison, Suite 4100, Chicago, Illinois 60602, Facsimile (312) 583-2360, Telephone (312) 583-2300, not later than **January 17, 2005, at 4:30 p.m. Mountain Time** (the "Bid Deadline"). All Qualified Bids must comply in all respects with the Bidding Procedures.

10. If one or more Qualified Bids are received, the Debtor will conduct an auction (the "Auction") to determine the highest and best bid. The Auction will be held at least twenty-



four (24) hours before the hearing on this Motion, in the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 136 South Main Street #1000, Salt Lake City, Utah 84101, Telephone (801) 320-6700. Parties desiring to determine whether the Auction will be conducted should contact the undersigned counsel, Stephen E. Garcia, Telephone (312) 583-2300 or Steven J. McCardell, Telephone (801) 320-6700. Parties participating in the Auction must attend in person and those individuals attending the Auction as a representative of a party must be authorized to bind the party represented. If an Auction is conducted, it will be conducted as set forth in the Bidding Procedures.

11. The Bidding Procedures permit the Debtor to continue the Bid Deadline, the date and time of the Auction and the date and time of the hearing on this Motion, should any such continuance be in the best interests of the Debtor's estate and its creditors.

**C. Interests, Liens, Claims and Encumbrances**

12. It is a condition to the sale that the Court enter an order approving the Agreement pursuant to Section 363 of the Bankruptcy Code. The Debtor is not aware of any interests, liens, claims and encumbrances on the Acquired Assets.

**D. Assumption and Assignment of Executory Contracts**

13. As part of this Motion, the Debtor seeks authority from the Court to assume and assign certain executory contracts to the Buyer, including certain leases, licenses, permits, and approvals listed in Schedule 2.1.5 to the Agreement (the "Assumed Contracts").

14. The Debtor will file with the Court and serve on each party to an Assumed Contract a notice of the sale substantially in the form attached hereto as Exhibit C (the "Sale Notice") and a notice substantially in the form attached hereto as Exhibit E (the "Cure Notice").



The Cure Notice shall notify each party that such party's agreement or license will be assumed and assigned to the Buyer and shall state the cure amount the Debtor believes is necessary to assume such agreement or license pursuant to Section 365 of the Bankruptcy Code (the "Cure Amount").

15. Objections, if any, to proposed assumption and assignment of the Assumed Contracts or Cure Amounts must state with specificity the basis for any objection and what cure the party to the Assumed Contract believes is required, with appropriate documentation in support thereof. If no objection is timely received, the Debtor shall seek an adjudication from this Court that the Cure Notice shall be controlling notwithstanding anything to the contrary in any Assumed Contract or other document, and the nondebtor party to the Assumed Contract shall be forever barred from asserting any other pre-assignment claim based on the Assumed Contract against the Debtor or the Buyer.

**E. Proposed Use of Proceeds**

16. The proposed use of the proceeds of the sale of the Acquired Assets is for (a) operating funds of the Debtor, (b) payment of a sales Commission to Geneva, (c) distribution to the Debtor's creditors pursuant to a confirmed plan of liquidation or any other mechanism approved by the Court.

**APPLICABLE AUTHORITY**

**A. Sale Pursuant to Section 363(b)(1)**

17. Section 363(b)(1) of the Bankruptcy Code provides: "The Trustee, after notice and a hearing, may use, sell, lease, other than in the ordinary course of business, property of the estate."



18. In order to approve a sale of a debtor's assets outside the ordinary course of business under Section 363(b), the Debtor must show that: (1) that a sound business reason exists for the sale; (2) there has been adequate and reasonable notice to interested parties, including full disclosure of the sale terms and the Debtor's relationship with the buyer; (3) that the sale price is fair and reasonable; and (4) that the proposed buyer is proceeding in good faith. See In re Medical Software Solutions, 286 B.R. 431, 439-40 (Bankr. D. Utah 2002). Once a debtor articulates a valid business justification, "[t]he business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.'" In re Johns-Manville Corp., 60 B.R. 612, 615-616 (Bankr. S.D.N.Y.) ("a presumption of reasonableness attaches to a Debtor's management decisions") Indeed, when applying the "business judgment" rule, courts show great deference to the debtor's decision-making. See Summit Land Co. v. Allen (In re Summit Land Co.), 13 B.R. 310, 315 (Bankr. D. Utah 1981). Thus, this court should grant the relief requested in this Motion if the Debtor demonstrates a sound business judgment.

**1. Sound Business Purpose**

19. First, a sound business purpose exists for the sale. The Debtor believes that the terms of the Agreement and the immediate consummation of the sale of the Acquired Assets represent the best way to maximize the value of the Acquired Assets. Maximization of asset value is a sound business purpose, warranting authorization of the proposed Sale.



respect to the Mining Claims, all of Seller's obligations under the Mine Permit and that certain Reclamation Contract with DOGM dated May 20, 1998, File No. M/021/008 (the "Reclamation Contract"), all costs of complying with the Reclamation Contract, any assessments, charges or demands that DOGM or the United States Bureau of Land Management may make in connection with maintaining or reclaiming the Mining Claims (including any reclamation requirements, bonding requirements, bond fees, and costs for any upward adjustment of bonding requirements or additional bonding that may be required), and all maintenance fees and filings required in connection with unpatented mining claims included within the Mining Claims. Buyer's obligations under this Section 5 shall survive the Final Closing and the Transactions and shall continue thereafter perpetually. It is understood and agreed, however, that Buyer, in order to protect and limit itself from the risk of future, third-party liability, may and in fact intends to take title at Closing to the Acquired Assets in the name of a subsidiary or controlled corporation or other legal entity. Such action shall not eliminate or diminish Buyer's Assumed Liabilities hereunder.

6. Allocation of Purchase Price. Buyer and Seller agree that the amount of the present value of the Purchase Price and the Assumed Liabilities that are liabilities for federal income tax purposes, determined taking into account Section 483 of the Internal Revenue Code of 1986, as amended, shall be allocated for federal income tax purposes among the Acquired Assets in accordance with Schedule 6 attached hereto. Subject to the requirements of applicable law, such allocation shall be binding upon the parties for the purposes of filing any return, report or schedule regarding taxes.

7. Due Diligence; Contingency Period. Buyer, at its own expense, shall perform whatever level of due diligence Buyer deems appropriate. Buyer shall have 30 days after the Effective Date in which to perform such due diligence (the "Contingency Period"). Buyer may enter upon Seller's property at reasonable times and at Buyer's sole risk and expense during the Contingency Period to examine the Acquired Assets and to conduct a Phase 1 environmental study on the Real Property and the Mining Claims; provided that (i) Buyer shall not unreasonably interfere with the use of any of the Acquired Assets or other improvements or fixtures on the property, (ii) Buyer shall promptly repair and restore any damage done to the Acquired Assets or adjacent property in connection with such testing, (iii) Buyer shall comply with all applicable laws, regulations and ordinances in performing such testing, and (iv) Seller shall have the right to approve of the identity, qualification and scope of work of any environmental inspector or engineer. Buyer shall promptly provide Seller with copies of any and all surveys, appraisals, engineering, laboratory and environmental reports, and other studies produced in connection with Buyer's due diligence. Buyer shall indemnify, defend and hold harmless each of the Seller Indemnified Parties from and against any injury or damage arising from Buyer's activities under this Section. Buyer's obligations under this Section shall survive any termination of this Agreement. If, as a result of Buyer's due diligence, Buyer decides not to purchase the Acquired Assets, then Buyer shall immediately so notify Seller in writing but in no event later than the expiration of the Contingency Period. If Buyer timely notifies Seller in writing of its decision for whatever reason not to purchase the Acquired Assets, this Agreement shall be terminated, Buyer shall not be obligated to purchase the Acquired Assets, Seller shall retain the Earnest Money, and neither party shall have any further rights or obligations hereunder other than those obligations which are intended to survive termination. If Buyer fails to timely



notify Seller in writing of its decision not to purchase the Acquired Assets, Buyer shall be obligated to proceed with the Closing and to consummate the purchase of the Acquired Assets in accordance with the other provisions of this Agreement.

8. Title Commitment. Within 15 days after the Effective Date, Seller will deliver to Buyer a preliminary title report prepared by the Title Company showing the condition of title to the Real Property (but not the Water Rights or the Mining Claims) (the "Title Report"). Buyer shall thereafter have the remainder of the Contingency Period to review the Title Report and to notify Seller in writing if Buyer disapproves of any exceptions shown in the Title Report. Those exceptions to which Buyer does not object or to which Buyer has agreed in this Agreement are referred to herein as the "Permitted Exceptions." If Buyer disapproves of any exceptions, Seller may, within ten days after receiving notice of Buyer's disapproval, either (i) remove the objectionable exception(s) or (ii) advise Buyer that it will not cure the objectionable exception(s). If Seller does neither (i) nor (ii) within such ten-day period, or if Seller provides the notice permitted by (ii), then Buyer as its exclusive remedy may terminate this Agreement by written notice to Seller given within five days following the end of the ten-day period, in which event this Agreement shall terminate, Buyer shall not be obligated to purchase the Acquired Assets, Seller shall return the Earnest Money to Buyer (without interest), and neither party shall have any further rights or obligations hereunder other than those obligations which are intended to survive termination. If Buyer does not timely elect to terminate this Agreement in accordance with this Section within five days following the end of the ten-day period, then Buyer shall be irrevocably deemed to have accepted all exceptions in the Title Report as Permitted Exceptions, and this Agreement shall remain in full force and effect. Except for the provisions of Section 16 below, a timely election by Buyer to terminate this Agreement solely because of title to the Real Property as provided in this Section 8 is the only basis in this Agreement under which Buyer may obtain a refund of the Earnest Money. Any title report covering the Water Rights and/or the Mining claims shall be obtained by Buyer as part of Buyer's due diligence at Buyer's sole expense during the Contingency Period.

9. Iron Ore Mines Files. As an accommodation to Buyer only, Seller shall use commercially reasonable efforts to make available for Buyer's review, within ten days after the Effective Date, all of Seller's known files that are readily available to Seller's existing personnel without unreasonable effort pertaining to the title to and the condition of the Acquired Assets (the "Seller Files"); provided, however, that Seller makes no representations or warranties with respect to the accuracy or completeness of such files and shall have no obligation to organize, assemble or otherwise attempt to locate such files. All information provided by Seller (other than information that is available to the public generally through other sources) shall be maintained and protected by Buyer in confidence through and after the Closing, until the Final Closing. Buyer shall not disclose such information to any third party except on a confidential basis to Buyer's advisors who have signed a confidentiality agreement with Seller and who are actively involved in assisting Buyer to evaluate and purchase the Acquired Assets or as required by law. If this Agreement terminates for any reason other than the transfer of the Acquired Assets to Buyer, then Buyer shall return to Seller all copies of any documents provided by Seller with respect to the Acquired Assets (including any summaries or notes with respect to such documents). Buyer's obligation to not disclose the information provided by Seller shall survive such termination. Buyer acknowledges that Seller has numerous buildings and document storage



areas in various locations and limited manpower to locate such Seller Files. Seller shall have no liability to Buyer under any theory whatsoever in the event Seller fails to make available for review any of the Seller Files, nor shall Seller have any liability to Buyer under any theory whatsoever on account of the accuracy, content or completeness of the Seller Files. The confidentiality and non-disclosure provisions of this Section 9 shall terminate at the Final Closing (but not before) and thereafter shall be of no further force or effect.

10. Conditions to Closing. Seller's obligation to sell the Acquired Assets, and Buyer's obligation to purchase the Acquired Assets, is contingent on the satisfaction or waiver (to the extent the condition is legally waivable) by Buyer and Seller of each of the following conditions prior to the date indicated below:

10.1 Bankruptcy Court Approval. Prior to the Closing Date, Seller shall have obtained a final, non-appealable Order of the Bankruptcy Court (the "Order") approving this Agreement pursuant to Section 363 of the Bankruptcy Code (the "Bankruptcy Court Approval"). Seller shall apply for the Order as soon as reasonably practicable following the Effective Date, and Buyer shall cooperate with Seller in obtaining the Order. The parties agree that the Bankruptcy Court hearing on the motion for approval of the sale of the Acquired Assets to Buyer shall (subject to the Court's concurrence) be held in January 2005, on a date no later than seven days after the end of the Contingency Period.

11. Closing

11.1 Closing Date. The consummation of the purchase of the Acquired Assets (the "Closing") shall occur at the offices of the Title Company on a date mutually agreed to by the parties as soon as reasonably practicable following Bankruptcy Court Approval and the end of the Contingency Period (the date on which the Closing occurs being the "Closing Date"), but in no event later than the last to occur of (a) 20 days after Bankruptcy Court Approval, or (b) January 31, 2005 (the "Closing Deadline"); provided however, that the Closing may occur at such other time and place as the parties may mutually agree in writing, and the Closing Deadline may be extended by Buyer pursuant to Section 11.2 hereof.

11.2 Extension of Closing Deadline. In the event Buyer has not received the approval of DOGM to the transfer of the Mine Permit and to the assumption by Buyer of all of Seller's obligations under the Reclamation Contract by the Closing Deadline, Buyer may extend the Closing Deadline once by delivering to Seller on or before the original Closing Deadline (a) a written notice of extension identifying the last date to which the Closing Deadline will be extended, which date shall in no event be later than the last to occur of (i) March 31, 2005 or (ii) 60 days following the original Closing Deadline, and (b) payment of the sum of Five Hundred Dollars (\$500) multiplied by the number of days included in the extension notice (the "Extension Payment"), which Extension Payment must be at least \$15,000 even if the number of days is less than 30. The Extension Payment shall be deemed to be fully earned by Seller and non-refundable to Buyer, and shall not be applied to the Purchase Price at Closing.

11.3 Closing Deliveries. At the Closing:



11.3.1 Seller will execute, acknowledge and deliver to the Title Company in escrow (a) a special warranty deed for the Real Property substantively in the form of Exhibit 11.3.1(a) attached hereto (the "Real Property Deed"), (b) a quitclaim deed for the Water Rights substantively in the form of Exhibit 11.3.1(b) attached hereto (the "Water Rights Deed"), (c) a quitclaim deed for the Mining Claims substantively in the form of Exhibit 11.3.1(c) attached hereto (the "Mining Claim Deed") (the Real Property Deed, the Water Rights Deed and the Mining Claim Deed are referred to herein as the "Deeds"), (d) a bill of sale covering the items included in the Acquired Assets other than the Real Property, the Water Rights and the Mining Claims substantively in the form attached hereto as Exhibit 11.3.1(d) (the "Bill of Sale"), and (e) such other documents as are (i) necessary to complete the transfer of the Acquired Assets to Buyer, (ii) otherwise necessary to complete the Transactions, and (iii) reasonably requested by Buyer.

11.3.2 Seller and Buyer shall execute, acknowledge and deliver to Seller a Transfer of Notice of Intention, Large Mining Operations, using the DOGM form attached hereto as Exhibit 11.3.2 (the "Mine Permit Assignment").

11.3.3 Buyer shall execute, acknowledge and deliver to Seller a Reclamation Contract, using the DOGM form attached hereto as Exhibit 11.3.3 ("Buyer's Reclamation Contract").

11.3.4 Buyer shall pay to the Title Company in escrow the balance of the Purchase Price (after credit for the Earnest Money and the Reclamation Credit) by wire transferred funds, same day availability. Any interest earned on such funds shall be paid to Seller and shall not be credited toward the Purchase Price.

11.3.5 All property taxes, fees and assessments on the Acquired Assets payable on or after the Final Closing Date shall be the obligation of and paid by Buyer.

11.3.6 Each party shall execute and deliver such additional affidavits of non-foreign status, closing statements, assignments, assumptions and other customary and usual closing documents as may be reasonably required to consummate the Transactions contemplated hereby.

12. Obligations and Conditions On or After Closing The following obligations and conditions shall apply on or after the Closing:

12.1 Within five days after the Closing, Buyer shall deliver to DOGM a reclamation surety or other bond in a form and amount (including inflation adjustments) acceptable to DOGM, with Buyer named as principal and without any obligation of Seller specified therein (the "Replacement Bond"), to fully replace and release Seller's existing reclamation surety bond which is in the amount of \$1,073,000.00 ("Seller's Bond"). Any refunds, rebates or compensation of any kind associated with the Seller's Bond shall go exclusively to Seller. If the Replacement Bond is not so delivered to DOGM within said five-day period, Seller may terminate this Agreement by written notice to Buyer, Seller shall not be obligated to sell the Acquired Assets to Buyer, Seller shall retain the Earnest Money, and neither



party shall have any further rights or obligations hereunder other than those obligations which are intended to survive termination. In such instance of termination by Seller, if Buyer has delivered the balance of the Purchase Price (not including the Earnest Money or the Reclamation Credit), or any part thereof, to the Title Company to be held in escrow pursuant to Section 11.3.4 above, then Buyer shall be entitled to the immediate return of said money (without interest) from the Title Company.

12.2 Within five days after Buyer delivers the Replacement Bond to DOGM, Seller shall deliver to DOGM the executed Mine Permit Assignment and Buyer's Reclamation Contract.

12.3 Within five days after Seller receives from DOGM a written release of Seller and Geneva Steel LLC from all obligations under the Reclamation Contract, Seller shall direct the Title Company to deliver the Purchase Price funds held in escrow to Seller and to deliver the Deeds and the Bill of Sale held in escrow to Buyer. The delivery of such funds and documents by the Title Company shall be known as the "Final Closing" and the date on which the Final Closing is completed shall be known as the "Final Closing Date."

12.4 Buyer shall be responsible for recording the Deeds and for the cost thereof.

12.5 Each party shall pay one-half of the Title Company's closing and escrow fees.

12.6 Any title insurance that Buyer may wish to purchase on the Real Property, Mining Claims and/or Water Rights shall be arranged and paid for by Buyer.

12.7 If the Final Closing has not occurred within nine months after the Effective Date, then either party may terminate this Agreement by written notice to the other party, in which case Buyer shall not be obligated to purchase the Acquired Assets, Seller shall not be obligated to sell the Acquired Assets, Seller shall retain the Earnest Money, Buyer shall be entitled to the immediate return (without interest) of the balance of the Purchase Price (not including the Earnest Money or the Reclamation Credit), or any part thereof, which theretofore Buyer may have delivered to the Title Company to be held in escrow pursuant to Section 11.3.4 above, and neither party shall have any further rights or obligations hereunder other than those obligations which are intended to survive termination.

12.8 Upon the Final Closing, Buyer shall be deemed to have released and waived any and all claims (administrative or otherwise) it may have against the Seller Indemnified Parties, including but not limited to any claims that are or could be filed in connection with the Bankruptcy Proceeding.

12.9 Other than the Bankruptcy Court Approval and DOGM approval of the Mine Permit Assignment, Buyer shall be solely responsible for obtaining, at its sole expense, any and all necessary governmental approvals for the transfer of the Acquired Assets and obtaining



all required approvals, permits and consents from all utilities and governmental entities with jurisdiction for the Transactions and Buyer's intended use of the Acquired Assets.

13. Condition and Use of Acquired Assets. Seller will retain all risk of loss for the Acquired Assets until the Final Closing. At the conclusion of the Final Closing, possession and risk of loss shall pass to Buyer. **EXCEPT AS EXPRESSLY SET FORTH IN SECTION 14 HEREOF AND, WITH RESPECT TO THE REAL PROPERTY ONLY, AS SET FORTH IN THE REAL PROPERTY DEED, THE PURCHASE AND SALE OF THE ACQUIRED ASSETS IS "AS-IS" AND "WHERE-IS" WITH ALL FAULTS IN ALL RESPECTS; NEITHER SELLER NOR ANY OF ITS MEMBERS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, REPRESENTATIVES OR AFFILIATES HAS MADE OR MAKES ANY WARRANTY OR REPRESENTATION WHATSOEVER REGARDING THE ACQUIRED ASSETS, OR ANY OTHER MATTER IN ANY WAY RELATED TO THE ACQUIRED ASSETS, INCLUDING, BUT NOT LIMITED TO, TITLE TO THE ACQUIRED ASSETS, USE, VALUE, OPERABILITY, ENVIRONMENTAL CONDITION, RECLAMATION OBLIGATIONS, VIABILITY, USABILITY, UTILITIES, ZONING, ACCESS, WETLANDS, TRANSFERABILITY, OR ANY OTHER MATTER RELATED TO THE ACQUIRED ASSETS, OR ANY IMPROVEMENT OR PROPERTY UPON WHICH THE ACQUIRED ASSETS ARE LOCATED, OR WHICH WILL BE USED IN CONNECTION THEREWITH. IT IS THE EXPLICIT INTENT OF EACH PARTY HERETO THAT SELLER IS MAKING NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, BEYOND THOSE EXPRESSLY GIVEN IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR OTHER REPRESENTATION AS TO THE CONDITION, SAFETY, SUITABILITY OR UTILITY OF THE ACQUIRED ASSETS OR ANY WARRANTY OR OTHER REPRESENTATION AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE WITH RESPECT TO THE SAME. SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF ANY DEFECT OR DEFICIENCY IN THE ACQUIRED ASSETS. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE TRANSACTIONS OR THE ACQUIRED ASSETS, ALL CLAIMS FOR WHICH ARE HEREBY WAIVED. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT PRIOR TO THE FINAL CLOSING, SELLER MAY USE THE ACQUIRED ASSETS IN A MANNER CONSISTENT WITH HISTORICAL PRACTICES.**

14. Representations and Warranties of Seller. Seller represents and warrants to Buyer that, as of the date hereof and as of the Final Closing Date, but subject to obtaining the Bankruptcy Court Approval:

14.1 Seller is not a "foreign person" as that term is defined in Internal Revenue Code § 1445.

14.2 Seller has all power and authority necessary to enter into this Agreement and to consummate the Transactions.



14.3 This Agreement has been duly authorized by all required actions by or on behalf of Seller.

14.4 Except as expressly provided herein, no consent or approval of any third party is required to authorize Seller to enter into this Agreement or to consummate the Transactions.

14.5 The person or persons signing this Agreement on behalf of Seller have been duly authorized to do so by all requisite actions by or on behalf of Seller.

15. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that, as of the date hereof and as of the Final Closing Date:

15.1 Buyer Western Utah Copper Company is a corporation duly organized and existing under the laws of the State of Utah, and Buyer Palladon Ventures Ltd. is a corporation duly organized and existing under the laws of British Columbia, Canada.

15.2 Buyer has all power and authority necessary to enter into this Agreement and to consummate the Transactions.

15.3 This Agreement has been duly authorized by all required actions by or on behalf of Buyer.

15.4 Except as expressly provided herein, no consent or approval of any third party is required to authorize Buyer to enter into this Agreement or to consummate the Transactions.

15.5 The person or persons signing this Agreement on behalf of Buyer have been duly authorized to do so by all requisite actions by or on behalf of Buyer.

15.6 Buyer is of sufficient sophistication and financial ability to evaluate the merits of the purchase of the Acquired Assets and to fulfill its obligations hereunder. Except for the representations and warranties provided in Section 14, Buyer is not relying upon, and hereby specifically waives any claim of liability based on, any statement, representation, warranty, promise, covenant, or undertaking by Seller or any other person representing or purporting to represent Seller in connection with the Acquired Assets.

16. Other Offers. Buyer acknowledges and agrees that the sale of the Acquired Assets pursuant to this Agreement is subject to higher and better offers. Until Bankruptcy Court Approval is obtained, Seller shall have the right to enter into one or more agreements, also subject to Bankruptcy Court approval, with other potential buyers who submit offers which, in Seller's sole and absolute discretion, are higher and better than the offer set forth herein. If multiple offers are received, Seller will determine which of the offers should be submitted for Bankruptcy Court approval and will give notice to Buyer of an additional opportunity (which may include one or more bidding opportunities or auctions using such procedures as Seller



determines to be appropriate) to submit a higher and better offer prior to the receipt of Bankruptcy Court Approval. If Buyer does not submit the highest and best offer, as determined by Seller in its sole discretion, upon notice by Seller to Buyer this Agreement shall automatically terminate and thereafter this Agreement shall be null and void and neither Seller nor Buyer shall have any further rights or obligations hereunder except those that are intended to survive such termination. Buyer shall incur no damages, whether direct, consequential or incidental, from the termination of this Agreement as a result of a higher and better offer, but in the event of such termination Seller shall refund Buyer's Earnest Money (without interest). Buyer acknowledges that, except for the provisions of Section 8 above, termination of the Agreement pursuant to this Section 16 is the only basis in this Agreement under which Buyer may obtain a refund of the Earnest Money.

17. Indemnification. To the fullest extent permitted by law, Buyer shall, and does hereby agree to, indemnify, defend and hold harmless the Seller Indemnified Parties from and against any and all claims, demands, suits, proceedings, attachments, levies, damages, losses, liabilities, liens, fines, penalties, claims for indemnification or contribution, and any other matter whatsoever, and all costs and expenses incurred in connection therewith, including attorneys' fees (collectively, the "Claims"), for (a) injuries to or death of any third party or any employee or agent of Buyer or Seller arising directly or indirectly out of or in any way relating to the ownership or use of the Acquired Assets by Buyer or any of its directors, officers, agents, employees, servants, contractors, suppliers, materialmen or vendors, successors or assigns (the "Buyer Parties"), (b) damage to or loss of property arising directly or indirectly out of or in any way relating to the ownership or use of the Acquired Assets by the Buyer Parties, and (c) any act or omission of the Buyer Parties arising out of their use or possession of the Acquired Assets before and after the Final Closing, including but not limited to the environmental condition of the Acquired Assets from events occurring before or after the Final Closing. The indemnity set forth above shall not be limited in any way by any limitation on the amount or type of proceeds, damages, compensation or benefits payable under insurance policies, workers compensation acts, disability benefit or other employee benefit acts. Buyer shall defend all Claims and pay all costs and expenses incidental thereto, but any of the Seller Indemnified Parties shall have the right, at their option, to participate in their own defense through separate counsel without relieving Buyer of any obligation hereunder.

18. Assignment; Binding Effect. Buyer may elect to take title to the Acquired Assets at Closing in the name of Buyer's subsidiary or affiliated corporation or other legal entity. Excepting the foregoing, Buyer may not assign its interest or any part thereof in this Agreement to any other party without Seller's prior written consent, which consent shall not be unreasonably withheld, but any assignment (whether to said subsidiary or affiliate or pursuant to Seller's written consent) shall not eliminate or reduce Buyer's obligations and liability under this Agreement. Subject to the preceding sentence, this Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

19. Broker Commissions. Seller and Buyer each agree to indemnify, defend and hold harmless the other from and against all claims, liabilities and expenses, including attorneys' fees, arising from any brokerage commissions or finder's fees payable as a result of such party's actions.



20. Attorneys' Fees. If an action is instituted to enforce any term of this Agreement, the prevailing party shall recover from the losing party its reasonable attorneys' fees and costs as set by the trial court and, in the event of appeal, as set by the appellate courts or the trial court on remand.

21. Governing Law; Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without regard to rules pertaining to conflicts of laws. The parties, on behalf of themselves and their successors, hereby agree and consent to the exclusive jurisdiction and venue of the state and federal courts of Utah. This Agreement has been carefully reviewed by both parties and their counsel, and shall be construed as though both parties drafted it.

22. No Waiver. No election or waiver of any right or remedy by either party on any occasion shall constitute an election or waiver of the same or any other right or remedy on any other occasion.

23. Notice. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be personally served on the designated party, delivered by express courier, sent by delivered telegram, telex or facsimile transmission (if sent by facsimile transmission a duplicate copy shall be sent by first class mail), United States certified or registered mail, postage prepaid, addressed to the parties as follows unless a party hereto designates otherwise in writing:

If to Seller:

Iron Ore Mines LLC  
Attention: Ken C. Johnsen  
10 South Geneva Road  
Vineyard, Utah 84058  
Fax: (801) 227-9141

with a required copy to:

Parr Waddoups Brown Gee and Loveless  
Attention: Daniel A. Jensen  
185 South State Street, Suite 1300  
Salt Lake City, Utah 84111  
Fax: (801) 532-7750

If to Buyer:

Western Utah Copper Company  
Attention: Mark D. Dotson, President  
P.O. Box 492  
Milford, Utah 84751  
Fax: (435) 387-5088



and

Palladon Ventures Ltd.  
Attention: George S. Young, President  
370 Interlocken Blvd., Suite 400  
Broomfield, Colorado 80021  
Fax: (303) 327-1526

with a required copy to:

William B. Wray  
P.O Box 958  
Milford, Utah 84751  
Fax: (435) 387-5658

Any notice given in the form set forth herein shall be deemed given and received as follows: if delivered, when delivered; if sent by delivered telegram, telex or facsimile transmission on the next business day following the sending thereof; and if sent by mail on the fifth business day following the mailing thereof.

24. Other Property. Seller agrees that, in the event it is discovered by Buyer or Seller, either before or within three years after the Final Closing, that title, right or interest in or to any property which if it were owned or held by Seller should pass to Buyer pursuant to the terms of this Agreement (the "Other Property") is held or owned by Geneva Steel LLC ("Geneva") or any affiliated entity of Seller or Geneva, then Seller at its expense shall use commercially reasonable efforts to cause said other entity promptly after such discovery to convey, assign or otherwise transfer to Buyer without further consideration and without any warranties whatsoever said Other Property. At the election of Seller, said transfer may be directly to Buyer from said other entity, or from said other entity to Seller, and thence to Buyer. Nothing in this Section or in this Agreement shall be construed as imposing any obligation whatsoever on Seller to make any effort to discover any Other Property, and in no event shall Buyer be obligated to pay any consideration to said other entity in order to effect the transfer of any Other Property.

25. Entire Agreement. This Agreement sets forth the entire understanding of the parties with respect to the Acquired Assets. This Agreement supersedes and terminates any and all prior negotiations, discussions, agreements and understandings between the parties or their predecessors in interest, including without limitation that certain Term Sheet dated June 15, 2004. This Agreement may not be modified or amended except by a written agreement executed by both parties.

26. Further Assurances. The parties shall perform those acts and/or sign all documents required by this Agreement or which may be reasonably necessary to effectuate the terms and intent of this Agreement.



27. Multiple Counterparts. This Agreement may be executed in multiple counterparts, which taken together shall constitute one and the same document.

28. Faxed Signatures. For purposes of executing this Agreement, a party's faxed signature shall be deemed to be the equivalent of an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized agents effective as of the Effective Date.

*[signature page follows]*



**SELLER:**

IRON ORE MINES LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BUYER:**

WESTERN UTAH COPPER COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PALLADON VENTURES LTD.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



### Schedule 2.1.1

#### Real Property

That certain parcel of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point on the south boundary of said Section 4, from which the southeast corner of said Section 4 bears N.  $89^{\circ} 26' 49''$  E. 1,828.60 feet, said point being at the intersection of an existing fence along the easterly boundary of Iron Ore Mines LLC's property; running thence along said southerly boundary of Section 4, S.  $89^{\circ} 26' 49''$  W. 1,370.90 feet; thence N.  $00^{\circ} 03' 09''$  W. 1,514.33 feet; thence S.  $89^{\circ} 26' 30''$  W. 1,211.91 feet; thence N.  $00^{\circ} 05' 28''$  E. 2,428.44 feet; thence S.  $89^{\circ} 52' 54''$  E. 2,604.43 feet; thence S.  $00^{\circ} 21' 16''$  W. 3,912.42 feet to the point of beginning.

Those certain parcels of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, and Section 33, Township 35 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the northeast corner of said Section 4; thence S.  $00^{\circ} 12' 02''$  E. 1,694.59 feet along the east boundary line of said Section 4; thence N.  $89^{\circ} 50' 22''$  W. 1,774.22 feet; thence N.  $00^{\circ} 20' 00''$  E. 1,688.51 feet to a point on the north boundary line of said Section 4; thence N.  $89^{\circ} 57' 48''$  E. along said boundary line 1,758.46 feet to the point of beginning;

Also beginning at a point on the north boundary line of said Section 4, from which the northeast corner of said Section 4 bears N.  $89^{\circ} 57' 48''$  E. 1,808.46 feet; thence S.  $00^{\circ} 20' 00''$  W. 1,663.58 feet; thence N.  $89^{\circ} 52' 54''$  W. 2,840.90 feet; thence N.  $00^{\circ} 01' 45''$  E. 1,655.84 feet, to a point on the north boundary line of said Section 4; thence N.  $89^{\circ} 57' 48''$  E. along said boundary line 2,849.72 feet to the point of beginning;

Also beginning at a point from which the southeast corner of said Section 33 bears N.  $89^{\circ} 57' 48''$  E. 850.10 feet (which beginning point is also the northeast corner of said Section 4); thence S.  $89^{\circ} 57' 48''$  W. along the south boundary line of said Section 33 1,758.46 feet; thence N.  $00^{\circ} 20' 00''$  E. 794.65 feet; thence N.  $89^{\circ} 58' 09''$  E. 1,750.03 feet; thence S.  $00^{\circ} 16' 28''$  E. 794.46 feet to the point of beginning.



## Schedule 2.1.2

### Water Rights

Water right numbers 71-155, 71-584, 71-801, 71-1181, 71-1197, 71-1205, 71-1234, 71-1279, 71-2402, 71-2403 and 71-2835 (as well as any other water rights owned, held or hereafter acquired by Seller relating to Seller's mining and agricultural operations and properties in Iron County, Utah, including any discovered after the Effective Date or after the Final Closing), together with any and all change applications and nonuse applications relating thereto, including without limitation approved change application a16450 and approved nonuse application 1688, all as more particularly described in the official records of the Utah Division of Water Rights.



### **Schedule 2.1.3**

#### **Mining Claims**

Those patented mining claims, unpatented mining claims, and other lands, located in Iron County, Utah, described on the following 18 pages, together with any other real property owned, held or hereafter acquired by Seller relating to Seller's mining and agricultural operations and properties in Iron County, Utah, including any discovered after the Effective Date or after the Final Closing.



#### PARCEL 1

The Pinto Mine, Pinto No. 1 Mine, Pinto No. 2, Pinto No. 3, Pinto No. 4, Pinto No. 5, Pinto No. 6 and Black Hawk Mine Lode Mining Claims designated by the Surveyor General as Lot No. 4299 embracing a portion of Section 35 and 36, Township 36 South and of Section 2, Township 37 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact descriptions, see Patent recorded in Book 1, at Page 480)

#### PARCEL 2

The Black Hawk Fraction Lode Mining Claim designated as Survey No. 7144, Embracing a portion of Section 35, Township 36 South and Section 2, Township 37 South, all in Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book D of Patents, at Page 96)

#### PARCEL 3

The Home Stake Mine, Blue Jay Mine, Yellow Jacket Mine and Silverite Mine, consolidated, Lode Mining Claims designated by the Surveyor General as Lot No. 4977, embracing a portion of Sections 19 and 30, Township 36 South, Range 13 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact description, see Patent recorded in Book A of Patents, at Page 50)

#### PARCEL 4

The Bobolink, Rains, Rains No. 1, Rains No. 2, Rains No. 3, Rains No. 4, Cracker Jack, Bobcat Mine, Lost Mine and Ross Lode Mining Claims, designated by the Surveyor General as Survey No. 6777, embracing a portion of Section 25, Township 35 South, Range 13 West and Sections 19, 29 and 30, Township 35 South, Range 12 West of the Salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 211.)

#### PARCEL 5

The Burke No. 2 Lode Mining Claim designated by the Surveyor General as Lot No. 57, embracing a portion of Section 35, in Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in Iron County, Utah, (For exact description, see Patent recorded in Book 1, at Page 529)

#### PARCEL 6

The Burke No. 3 Lode Mining Claim designated by the Surveyor General as Lot No. 58, embracing a portion of Sections 34 and 35 in Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in Iron County, Utah. (For exact description, see Patent recorded in Book 1, at Page 525)



#### PARCEL 7

The Burke No. 5 Lode Mining Claim designated by the Surveyor General as Lot No. 59 embracing a portion of Section 35, Township 36 South and of Section 2, in Township 37 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District in Iron County, Utah. (For exact description, see Patent recorded in Book 1, at Page 535)

#### PARCEL 8

The Cook Fraction Lode Mining Claim, designated as Survey No. 7142, embracing a portion of Section 2, Township 37 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book D of Patents, at Page 91)

#### PARCEL 9

An undivided 17.5% interest in and to the following:

The Cincinnati No. 4 Lode Mining Claim as designated by the Surveyor General as Survey No. 5040, embracing a portion of Sections 27, 28, 33 and 34, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 286)

#### PARCEL 10

The Oregon and Dempsey Fraction Lode Mining Claims designated by the Surveyor General as Survey No. 6815, embracing a portion of Section 29, Township 35 South, Range 12 West of the Salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 220)

#### PARCEL 11

The France Lode Mining Claim, designated by the Surveyor General as Survey No. 6726, embracing a portion of Section 29, Township 35 South, Range 12 West of the Salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 178)

#### PARCEL 12

An undivided 5% interest in and to the following:

The Friendship Tip Lode Mining Claim, designated by the Surveyor General as Lot No. 5038, embracing a portion of Section 27, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. NOTE: Patent recites Utah County. (For exact description, see Patent recorded in Book 3, at Page 289)

#### PARCEL 13

The Gem No. 2 Lode Mining Claim, designated as Survey No. 7224, embracing a portion of Sections 35 and 36, Township 35 South and Section 2, Township 36 South, all in Range 13 West of the Salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 13)



#### PARCEL 14

An undivided 50% interest in and to the following:

The Iron Hill No. 1 Lode Mining Claim designated as Survey No. 7215, embracing a portion of Section 31, Township 36 South, Range 13 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 49)

#### PARCEL 15

The Iron Sandstone Mine, Iron Sandstone No. 1 and Iron Sandstone Fraction Lode Mining Claims, designated as Survey No. 7225, embracing a portion of Sections 27 and 34, Township 36 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 88)

#### PARCEL 16

The Iron Wedge Lode Claim designated by the Surveyor General as Survey No. 6088, embracing a portion of Section 30, Township 35 South, Range 12 West of the Salt Lake Meridian; in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 33)

#### PARCEL 17

An undivided 50% interest in and to the following:

The Lime Cap #1, Lime Cap #2, Lime Cap #3, Lime Cap #4 and Lime Cap Fractional Lode Mining Claims, designated as Survey Nos. 7213 and 7216, embracing a portion of Sections 34 and 35, Township 36 South and Section 3, Township 37 South, all in Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 26)

#### PARCEL 18

The Little Mormon Lode Mining Claim, designated by the Surveyor General as Lot No. 52, embracing a portion of Section 29, Township 35 South, Range 12 West, Salt Lake Meridian, in the Iron Springs Mining District in Iron County, Utah. (For exact description, see Patent recorded in Book 1, at Page 551)

#### PARCEL 19

The Long Wedge Lode Mining Claim, designated as Survey No. 7218, embracing a portion of Section 35, Township 36 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 203)

#### PARCEL 20

The M.S. & L. #1, M.S. & L. #2 and M.S. & L. #3 Lode Mining Claims, designated as Survey #7219, embracing a portion of Sections 34 and 35, Township 36 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 86)



#### PARCEL 21

The Napoleon Fraction Lode Mining Claim, designated as Survey No. 7143, embracing a portion of Section 2, Township 37 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book D of Patents, at Page 90)

#### PARCEL 22

The Pinto No. 7, Pinto No. 8, Pinto No. 9, Pinto No. 10, Pinto No. 11, Pinto No. 12, Pinto No. 13, Pinto No. 14, Pinto No. 15, Pinto No. 16, Pinto No. 17, Pinto No. 18, Pinto No. 19, Pinto No. 20, Pinto No. 21 and Pinto No. 22, Lode Mining Claims, designated by the Surveyor General as Lot Nos. 4336, 4342, 4369 and 4399, embracing a portion of Sections 2 and 3, Township 37 South and of Section 35, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, County of Iron, Utah. (For exact description, see Patent recorded in Book 1, at Page 465)

#### PARCEL 23

The Pinto No. 25 Lode Mining Claim, designated as Survey No. 7200, embracing a portion of Section 35, Township 36 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book D of Patents, at page 206)

#### PARCEL 24

The Pioche Lode Mining Claim, designated by the Surveyor General as Lot No. 51, embracing a portion of Sections 29 and 30, Township 35 South, Range 12 West, Salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 1, at Page 548)

#### PARCEL 25

The Rains Fraction Lode Mining Claim, designated as Survey No. 6837, embracing a portion of Sections 29 and 30, Township 35 South, Range 12 West of the salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 239)

#### PARCEL26

The Rex No. 9 Lode Mining Claim, designated as Survey No. 7339, embracing a portion of Section 27, Township 36 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 218, at Page 403)

#### PARCEL 27

The Rodger #1, Rodger #2 and Rodger #3 Lode Mining Claims, designated as Survey No. 7220, embracing a portion of Sections 26 and 35, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 84)



PARCEL 28

The Sunbeam No. 7 Lode Mining Claim designated as Survey No. 7205, embracing a portion of Section 35, Township 36 South, Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 4, at Page 232)

PARCEL 29

The Sunbeam #8 Lode Mining Claim, known and designated in the Bureau of Land Management, United States Department of the Interior, as Patent No. 1123150, situated in the Pinto Iron Mining District, Iron County, Utah, as described therein.

PARCEL 30

The Vermillion Lode Mining Claim designated by the Surveyor General as Lot No. 50, embracing a portion of Section 30, Township 35 South, Range 12 West, Salt Lake Meridian, in the Iron Springs Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 1, at page 554)

PARCEL 31

An undivided 17.5% interest in and to the following:

The Viola No. 2 Lode Mining Claim, designated by the Surveyor General as Lot No. 5039, embracing a portion of Section 26 and 27, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book 3, at Page 285)

PARCEL 32

The Sparta, Cyclone, Hurricane and Crystal Lode Mining Claims designated by the Surveyor General as Lot Nos. 4310, 4344 and 4351, embracing a portion of Section 31, Township 36 South, Range 13 West, and of Section 36, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact description, see Patent recorded in Book A of Patents, at Page 496)

PARCEL 33

The Dear Lode Mining Claim designated by the Surveyor General as Lot No. 4298, embracing a portion of Section 30, Township 36 South, Range 13 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact description, see Patent recorded in Book A of Patents, at Page 517)

PARCEL 34

The Dexter No. 1 Lode Mining Claim designated by the Surveyor General as Lot No. 4346, embracing a portion of Section 25, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact description, see Patent recorded in Book A of Patents, at Page 515)

PARCEL 35

The Duluth, Duluth No. 1, Duluth No. 2, Duluth No. 5 and Duluth No. 6 Lode Mining Claims designated by the Surveyor General as Lot Nos. 4267, 4335 and 4368, embracing a portion of Sections 25 and 36 in Township 36



South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of iron, State of Utah.  
(For exact description, see Patent recorded in Book A of Patents, at Page 502)

#### PARCEL 36

The Lerch and Highest Lode Mining Claims designated by the Surveyor General as Lot Nos. 4311 and 4343, embracing a portion of Sections 24 and 25 in Township 36 South, Range 14 West, Salt Lake Meridian in the Pinto Iron Mining District in the County of Iron, State of Utah. (For exact description, see Patent recorded in Book A of Patents, at Page 507)

#### PARCEL 37

The Mountain Lion No. 1, Mountain Lion No. 2, Mountain Lion No. 3, Mountain Lion No. 4 and Enterprise Lode Mining Claims designated by the Surveyor General as Lot Nos. 4266, 4312 and 4429, embracing a portion of Section 19 and 30, Township 36 South, Range 13 West and of Section 24, Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact description, see Patent in Book A of Patents, at Page 510)

#### PARCEL 38

The Red Cloud Lode Mining Claim designated by the Surveyor General as Lot No. 60, embracing a portion of Section 35, Township 36 South, and of Section 2, Township 37 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent in Book 1, at Page 531)

#### PARCEL 39

The Milner Mine, Rex No. 1, Rex No. 2, Rex No. 3, Rex No. 4, Rex No. 5, Rex No. 6, Rex No. 7, and Rex No. 8 Lode Mining Claims as designated by the Surveyor General as Lot Nos. 4309, 4345, 4370 and 4402, embracing a portion of Sections 26, 27, 34 and 35, in Township 36 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District in the County of Iron, State of Utah. (For exact description, see Patent in Book A of Patents, at Page 488)

#### PARCEL 40

The Speckled Trout Lode Mining Claim designated by the Surveyor General as Lot No. 4986, embracing a portion of Section 19, Township 36 South, Range 13 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact description, see Patent in Book A of Patents, at Page 54)

#### PARCEL 41

The Iron Springs Placer Mining Claim situate in the Iron Springs Mining District, Iron County, Utah, described as the Northeast quarter of the Northeast quarter, the North half of the South half of the Northeast quarter, and the Lots 8 and 9 of Section 29, Township 35 South, Range 12 West, Salt Lake Meridian.

LESS AND EXCEPTING a strip of land 150 feet wide conveyed by Columbia Steel Corporation to Los Angeles and Salt Lake Railroad Company by Deed dated June 26, 1926. (See Deed recorded in Book 3 of Deeds, at Page 254) Affects one or more of the following Parcels 4, 10, 11, 16, 25 and 41.



PARCEL 42

The N.J., McCahill No. 3, Monday No. 1 and Monday No. 2 Placer Mining Claims situate in the Pinto Iron Mining District, Iron County, Utah, and described as follows:

the N.J. Claim comprising the North half of the Northeast quarter of the Southwest quarter, the North half of the Northwest quarter of the Southeast quarter, the West half of the Northeast quarter and the Lot numbered 1 of Section 26, Township 36 south, Range 14 West, Salt Lake Meridian;

the McCahill No. 3 Claim comprising the Northwest quarter of said Section 26;

the Monday No. 1 claim comprising the Northeast quarter of Section 27 of said Township and Range;

and the Monday No. 2 Claim comprising the North half of the Northwest quarter; the Southeast quarter of the Northwest quarter, and East half of the Southwest quarter of the Northwest quarter of said Section 27.

PARCEL 43

An undivided 2/3 interest in and to the following:

The South one half of the Nestor Placer Mining Claim situate in the Iron Springs Mining District, Iron County, Utah, comprising the Southwest quarter of Section 20, Township 35 South, Range 12 West, Salt Lake Meridian.

PARCEL 44

Lots 5, 6, 7, 8 and 9 of Section 35, Township 36 South, Range 14 West, Salt Lake Meridian, Iron County, Utah.

PARCEL 45

Lots 13, 14, 15, 16 and 17 of Section 35, Township 36 South, Range 14 West, Salt Lake Meridian, Iron County, Utah.

PARCEL 46

The Northeast quarter of Section 11, Township 36 South, Range 13 West, Salt Lake Meridian, Iron County, Utah.

PARCEL 47

The North half of the Northwest quarter of Section 32, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 48

Tip Top, patented Lode Mining Claim, Lot No. 56, situated in Section 25, Township 36 South, Range 14 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah. (For exact description, see Patent recorded February 15, 1905 as Entry No. 10657 in Book 1 of Mining Deeds at page 544 of the official records of the Iron County Recorder, Utah.)



PARCEL 49

Black Iron No. 1, patented Lode Mining Claim, and Black Iron No. 2, patented Lode Mining Claim, Survey No. 7249, situated in Section 29 and Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah. (For exact description, see Patent (and attachments thereto) recorded January 3, 1957 as Entry No. 110641 in Book D of Patents at Page 342 of the official records of the Iron County Recorder, Utah.)

PARCEL 50

Independence Iron No. 2, patented Placer Mining Claim, situated in Section 19, Lots 6 and 7, Township 36 south, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah. (For exact description, see Patent recorded April 6, 1988 as Entry No. 283121 in Book 377 at Page 949 of the official records of the Iron County Recorder, Utah.)

PARCEL 51

U.C. Placer No. 13 and U.C. Placer No. 14, patented Placer Mining Claims, situated in Lot 12, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron county, Utah. (See Patent recorded January 16, 1969 as Entry No. 151413 in Book 142 at Page 543 of the official records of the Iron County Recorder, Utah.)

PARCEL 52

U.C. Placer No. 12, patented Placer Mining Claim, situated in Lot 8, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah, excepting and excluding all that portion of ground embraced in mining claims designated as Mineral Survey Nos. 5041, 5059 and 7249. (See Patent recorded November 16, 1972 as Entry No. 165745 in Book 178 at Page 189 of the official records of the Iron County Recorder, Utah.)

PARCEL 53

A 16.66666% interest in Independence Iron No. 1, patented Placer Mining Claim, embracing the following described property situated in Iron County, State of Utah: The East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 19, Township 36 South, Range 13 West, Salt Lake Base and Meridian. (See Patent recorded April 12, 1976 as Entry No. 184137 in Book 216 at Page 461 of the official records of the Iron County Recorder, Utah.)

PARCEL 54

Brown, patented Lode Mining Claim, Survey No. 3424, comprising a portion of Lot No. 5041, situated in Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah. (For an exact description, see Patent recorded January 22, 1906 as Entry No. 11201 in Book A of Patents at Page 553 of the official records of the Iron County Recorder, Utah.)



PARCEL 55

Black Magnetic, patented Lode Mining Claim, Survey No. 54, situated in Section 30, Township 36 south, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah. (For exact description, see Patent recorded June 7, 1988 as Entry No. 284245 in Book 380 at Page 553-557 of the official records of the Iron County Recorder, Utah.)

PARCEL 56

Last Chance, patented Lode Mining Claim, Survey No. 3363, comprising a portion of Lot 4978, situated in Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian, Pinto Mining District, Iron County, Utah. (For exact description, see Patent recorded January 22, 1906 as Entry No. 11196 in Book A of Patents at Page 537 of the official records of the Iron County Recorder, Utah.)

PARCEL 57

Sections 19, 20, 29 and 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian, Iron County, Utah.

~~PARCEL 58~~

~~That certain parcel of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows: Beginning at a point on the South boundary of Section 4, Township 36 South, Range 15 West, SLB&M from which the Southeast corner or Section 4 bears N. 89° 26' 49" E. 1,828.60 feet, said point being at the intersection of an existing fence along the easterly boundary of Geneva Steel's property, running thence along said southerly boundary of Section 4, S. 89° 26' 49" W. 1,370.90 feet; Thence N. 00° 03' 09" W. 1,514.33 feet; Thence S. 89° 26' 30" W. 1,211.91 feet; Thence N. 00° 05' 28" E. 2,428.44 feet; Thence S. 89° 52' 54" E. 2,604.43 feet; Thence S. 00° 21' 16" W. 3,912.42 feet to the point and place of beginning and containing 191.8 acres, more or less.~~

PARCEL 59

Those certain parcels of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, and Section 33, Township 35 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows: Beginning at the northeast corner of Section 4, T. 36 S., R. 15 W., SLB&M: Thence S. 00° 12' 02" E. 1,694.59 feet along the East boundary line of Section 4; Thence N. 89° 50' 22" W. 1,774.22 feet; Thence N. 00° 20' 00" E. 1,688.51 feet to a point on the North boundary line of Section 4; Thence N. 89° 57' 48" E. along said boundary line 1,758.46 feet to the point and place of beginning and containing 68.6 acres more or less.

PARCEL 60

Also beginning at a point on the North boundary line of Section 4, T. 36 S., R. 15 W., SLB&M, from which the Northeast corner of Section 4 bears N. 89° 57' 48" E. 1,808.46 feet: Thence S. 00° 20' 00" W. 1,663.58 feet; Thence N. 89° 52' 54" W. 2,840.90 feet; Thence N. 00° 01' 45" E. 1,655.84 feet, to a point on the North boundary line of Section 4; Thence N. 89° 57' 48" E. along said boundary line 2,849.72 feet to the point and ~~place of beginning and containing 108.4 acres more or less.~~



~~PARCEL 61~~

~~Also beginning at a point from which the Southeast corner of Section 33, T. 35 S., R. 15 W., SLB&M, bears N. 89° 57' 48" E. 850.10 feet. Said point is also the Northeast corner of Section 4, T. 36 S., R. 15 W., SLB&M: Thence S. 89° 57' 48" W. along the South boundary line of Section 33 1,758.46 feet; Thence N. 00° 20' 00" E. 794.65 feet; Thence N. 89° 58' 09" E. 1,750.03 feet; Thence S. 00° 16' 28" E. 794.46 feet to the point and place of beginning and containing 32.0 acres more or less, for a total of 209.0 acres, more or less.~~

PARCEL 62

APRIL LODGE, Iron Springs District, Survey No. 5088: Southeast quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 63

CENTURY NO. 1 LODGE, Iron Springs District, Survey No. 5088: Southeast quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 64

MENDELL LODGE, Iron Springs District, Survey No. 5088: Southwest quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 65

MERRIMAC, Iron Springs District, Survey No. 5088: Northwest quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 66

ROOSEVELT, Iron Springs District, Survey No. 5088: Southeast quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 67

W. S. SCHLEY, Iron Springs District, Survey No. 5088: Southeast quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 68

BLACK DWARF LODGE, Pinto District, Survey No. 4701: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 69

COPPER FRACTION LODGE, Pinto District, Survey No. 4701: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.



PARCEL 70

PIUTE LODE, Pinto District, Survey No. 4701: Southeast quarter, Section 25, Township 36 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 71

STRIP LODE, Pinto District, Survey No. 4701; Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 72

WELLINGTON LODE, Pinto District, Survey No. 4701: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 73

BLACK MAGNETIC LODE, Pinto District, Lot No. 54: Northeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 74

BLACK PRINCE LODE, Pinto District, Survey No. 5053: Southeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 75

DEFENDER LODE, Pinto District, Survey No. 5053: Southeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 76

HORSE TRAIL, Pinto District, Survey No. 5053: Southwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 77

NEGRO LODE, Pinto District, Survey No. 5053: Southeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 78

OAK SPRING LODE, Pinto District, Survey No. 5053: Northeast quarter, Section 2, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 79

PINE NUT LODE, Pinto District, Survey No. 5053: Southeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.



PARCEL 80

BLOWOUT LODE, Pinto District, Lot No. 44: Northwest quarter, Section 1, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 81

BLUE BIRD LODE, Pinto District, Survey No. 4996: Northeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 82

BOSTON LODE, Pinto District, Survey No. 4435: Northwest quarter, Section 1, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 83

BROWN LODE, Pinto District, Survey No. 5041: Northeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 84

BURTON LODE, Pinto District, Survey No. 5041: Northeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 85

WIGHTMAN LODE, Pinto District, Survey No. 5041: Northeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 86

BUCKEYE LODE, Pinto District, Survey No. 4433: Northeast quarter, Section 2, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 87

COLUMBIA LODE, Pinto District, Survey No. 4711: Northeast quarter, Section 3, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 88

COMSTOCK LODE, Pinto District, Survey No. 4434: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.



PARCEL 89

EMMA LODGE, Pinto District, Survey No. 4434: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 90

SUNBEAM LODGE, Pinto District, Survey No. 4434: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 91

DARKEY LODGE, Pinto District, Survey No. 4699: Northwest quarter, Section 31, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 92

DESERT MOUND LODGE, Iron Springs District, Lot No. 38: Northeast quarter, Section 2, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 93

DICKMAN LODGE, Pinto District, Survey No. 5003: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 94

EALY LODGE, Pinto District, Survey No. 5003: Southwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 95

IRON WEDGE LODGE, Pinto District, Survey No. 5003: Southwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 96

LOOKOUT LODGE, Pinto District, Survey No. 5003: Southwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 97

DUNCAN NO. 1 LODGE, Pinto District, Lot No. 37: Northeast quarter, Section 3, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 98

EMMA NO. 1 LODGE, Pinto District, Survey No. 4907: Northeast quarter, Section 25, Township 36 South, Range 14 West, Salt Lake Base and Meridian.



PARCEL 99

IRON DUKE, Pinto District, Survey No. 4698: Northwest quarter, Section 1, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 100

LAST CHANCE, Pinto district, Survey No. 4978: Northeast quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 101

LAST CHANCE NO. 2 LODGE, Pinto District, Survey No. 4700: Northwest quarter, Section 2, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 102

LITTLE CHIEF LODGE, Pinto District, Survey No. 4696: Southwest quarter, Section 35, Township 36 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 103

MAGPIE LODGE, Pinto District, Survey No. 4979: Northeast quarter, Section 3, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 104

MIDNIGHT SERENADE LODGE, Iron Springs District, Survey No. 4989: Southwest quarter, Section 29, Township 35 South, Range 12 West, Salt Lake Base and Meridian.

PARCEL 105

NAPOLION LODGE, Pinto District, Survey No. 4713: Northeast quarter, Section 2, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 106

TREASURE BOX LODGE, Pinto District, Survey No. 4713: Northeast quarter, Section 2, Township 37 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 107

PIRATE PRINCE LODGE, Pinto District, Survey No. 4747: Northeast quarter, Section 3, Township 37 South, Range 14 West, Salt Lake Base and Meridian.



PARCEL 108

POT METAL LODE, Pinto District, Lot No. 49: Northeast quarter, Section 31, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 109

QUEEN OF THE WEST NO. 2 LODE, Pinto District, Survey No. 4770: Southwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 110

REPORTER LODE, Pinto District, Survey No. 4697: Southwest quarter, Section 36, Township 36 South, Range 14 West, Salt Lake Base and Meridian.

PARCEL 111

TARANTULA LODE, Iron Springs District, Survey No. 4908: Northwest quarter, Sections 1 and 2, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 112

WEDGE LODE, Pinto District, Survey No. 4712: Southeast quarter, Section 31, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 113

WELLINGTON NO. 1 LODE, Pinto District, Survey No. 4906: Northwest quarter, Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 114

GRAND IRON #1 LODE, Pinto Iron District, Patent Survey No. 7240, embracing a part of Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 115

IRON BELL #1 LODE, Pinto Iron District, Patent Survey No. 7241, embracing a part of Section 30, Township 36 South, Range 13 West, Salt Lake Base and Meridian.



Claim Name	BLM Serial No.	Recording Data (Book/Page)	Claim Type
Stanley Fraction	UMC 37748	L/323	Lode
Blowout Lode No. 2	UMC 37749	L/476	Lode
Blowout Lode No. 3	UMC 37750	L/476	Lode
Iron Age #1	UMC 37751	L/622	Lode
Chesapeak No. 3	UMC 37752	MLoc/174	Lode
Napoleon No. 2	UMC 37753	MLoc/174	Lode
Napoleon No. 3	UMC 37754	MLoc/175	Lode
Queen of the West No. 3	UMC 37756	MLoc/172	Lode
Iron Duke No. 2	UMC 37757	MLoc/176	Lode
Jeep Fraction	UMC 58362	243/187	Lode
Jeep No. 2	UMC 58363	243/183	Lode
Jeep No. 3	UMC 58364	243/184	Lode
Jeep No. 4	UMC 58365	243/185	Lode
Jeep No. 5	UMC 58366	243/186	Lode
Jeep No. 6	UMC 58367	243/268	Lode
Jeep No. 7	UMC 58368	243/269	Lode
S.U.O.P. Placer # 1	UMC 78466	216/158	Placer
S.U.O.P. Placer #2	UMC 78467	216/159	Placer
S.U.O.P. # 3	UMC 78468	216/160	Placer
S.U.O.P. Placer # 4	UMC 78469	216/161	Placer
S.U.O.P. Placer # 5	UMC 78470	216/162	Placer
S.U.O.P. Placer # 24	UMC 78471	217/512	Placer
S.U.O.P. Placer # 25	UMC 78472	217/513	Placer
S.U.O.P. # 26 Placer	UMC 78473	217/514	Placer
S.U.O.P. Placer # 27	UMC 78474	217/515	Placer
S.U.O.P. Placer #28	UMC 78475	217/516	Placer
S.U.O.P. Placer # 29	UMC 78476	217/517	Placer
S.U.O.P. Placer # 30	UMC 78477	217/518	Placer



Claim Name	BLM Serial No.	Recording Data (Book/Page)	Claim Type
S.U.O.P. Placer # 31	UMC 78478	217/519	Placer
S.U.O.P. Placer # 32	UMC 78479	217/520	Placer
S.U.O.P. Placer # 33	UMC 78480	217/521	Placer
S.U.O.P. Placer #34	UMC 78481	217/522	Placer
S.U.O.P. Placer # 35	UMC 78482	217/523	Placer
Jeep	UMC 78483	MLoc/319	Lode
Jeep No. 1	UMC 78484	MLoc/319	Lode
Mary Jean	UMC 78485	G/396	Placer
Joyce	UMC 78486	G/382	Placer
Raven	UMC 78487	217/48	Lode
Raven Fraction	UMC 78488	218/224	Lode
Black Iron No. 3 (66.66% interest)	UMC 79898	L/276	Lode
Black Iron No. 4 (66.66% interest)	UMC 79899	L/276	Lode
Black Iron No. 6 (83.34% interest)	UMC 79900	M/47	Lode
Black Iron No. 7 (83.34% interest)	UMC 79901	M/47	Lode
Black Iron Fraction No. 5	UMC 79902	M/46	Lode
Tiger No. 1	UMC 79916	M/196	Lode
Tiger No. 2	UMC 79917	M/196	Lode
Tiger No. 3	UMC 79918	M/197	Lode
S.U.O.P. Placer # 36	UMC 117039	953/986	Placer
S.U.O.P. Placer # 37	UMC 117040	953/988	Placer
S.U.O.P. Placer # 38	UMC 117041	953/990	Placer
S.U.O.P. Placer # 39	UMC 117042	953/992	Placer
S.U.O.P. Placer # 40	UMC 117043	953/994	Placer
S.U.O.P. Placer # 41	UMC 117044	953/996	Placer
S.U.O.P. Placer # 42	UMC 117045	953/998	Placer



Claim Name	BLM Serial No.	Recording Data (Book/Page)	Claim Type
S.U.O.P. Placer # 43	UMC 117046	953/1000	Placer
S.U.O.P. Placer # 44	UMC 117047	218/233	Placer
S.U.O.P. Placer # 45	UMC 117048	953/1002	Placer
S.U.O.P. Placer # 46	UMC 117049	953/1004	Placer
S.U.O.P. Placer # 47	UMC 117050	218/236	Placer
S.U.O.P. Placer # 48	UMC 117051	218/237	Placer
S.U.O.P. Placer # 65	UMC 117056	953/1006	Placer
S.U.O.P. Placer # 66	UMC 117057	953/1008	Placer
S.U.O.P. No. 19	UMC 144324	217/45	Placer
S.U.O.P. No. 20	UMC 144325	217/46	Placer
S.U.O.P. No. 21	UMC 144326	217/47	Placer
S.U.O.P. Placer No. 22	UMC 144327	217/298	Placer
S.U.O.P. Placer No. 23	UMC 144328	217/299	Placer
S.U.O.P. Placer #56	UMC 144329	218/284	Placer
S.U.O.P. Placer # 57	UMC 144330	218/285	Placer
S.U.O.P. Placer # 58	UMC 144331	218/286	Placer
S.U.O.P. Placer # 59	UMC 144332	218/287	Placer
S.U.O.P. Placer 60	UMC 144333	218/288	Placer
S.U.O.P. Placer # 61	UMC 144334	218/240	Placer
S.U.O.P. Placer #64	UMC 144335	218/603	Placer
S.U.O.P. Placer #11	UMC 323620	393/417	Placer
S.U.O.P. Placer #12	UMC 323621	393/418	Placer
S.U.O.P. Placer #13	UMC 323622	393/419	Placer
S.U.O.P. Placer #14	UMC 323623	393/420	Placer
S.U.O.P. Placer #16	UMC 323624	393/421	Placer
S.U.O.P. Placer #17	UMC 323625	393/422	Placer
S.U.O.P. Placer #18	UMC 323626	393/423	Placer



## Schedule 2.1.5

### Leases, Permits, Etc.

1. Reclamation Contract (No. M/021/008) dated May 5, 1998, between Geneva Steel Company, a Utah corporation, and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining, regarding reclamation of a "disturbed area" of 417.05 acres in the Iron Mountain Mining District, Iron County, Utah, as amended effective May 19, 2000.
2. Lease dated as of May 1, 2000, between Geneva Steel Company, a Utah corporation, as lessor and Darwin Hulet and Clifton Brad Hulet as lessees, regarding agricultural property and associated water rights in Newcastle, Iron County, Utah.
3. Lease dated as of May 1, 2000, between Geneva Steel Company as lessor and Robert Holt Farms, Inc., a Utah corporation, as lessee, regarding agricultural property and associated water rights in Newcastle, Iron County, Utah.
4. Mining Lease and Operating Agreement, both dated November 27, 1961, between Columbia Iron Mining Company, a Utah corporation, as lessee, and Susan M. Tevis, Arthur E. Moreton and Ethel T. Moreton, his wife, and John R. Moreton and Rose Ann P. Moreton, his wife, as lessors, regarding partial interests in the Howard, Sage, Sage Placer No. 1, Cincinnati, Cincinnati No. 3, Cincinnati No. 4, Viola No. 2 and Friendship Tip patented mining claims in Iron County, Utah.
5. Mining Lease and Operating Agreement, both dated May 27, 1958, between Columbia Iron Mining Company, a Utah corporation, as lessee, and Lone Pine Company, a Minnesota corporation, and Cincinnati, Utah and Wyoming Oil Company, a South Dakota corporation, as lessors, regarding partial interests in the Howard, Sage, Sage Placer No. 1, Cincinnati, Cincinnati No. 3, Cincinnati No. 4, Viola No. 2 and Friendship Tip patented mining claims in Iron County, Utah.
6. Contract dated January 7, 1954, between the Utah Construction Company, a Utah corporation, as licensee, and Los Angeles & Salt Lake Railroad Company, a Utah corporation, and Union Pacific Railroad Company, a Utah corporation, collectively as licensors, for a private road crossing, recorded May 21, 1954 as Entry No. 99802 in Book 3 of Agreements at Page 488 of the official records of the Iron County Recorder. Said private road crossing is located in Iron County, Utah, and is across the right-of-way and track of such railroads along a line intersecting the center line of the main track of the Iron Mountain Branch at right angles thereto at Engineer's Station 384+73.4, which is 1,642.3 feet northeasterly, measured along said center line from its intersection with the West line of Section 32, Township 36 South, Range 13 West, Salt Lake Base and Meridian.
7. Easement Agreement dated July 19, 1949, entered into between Columbia Iron Mining Company, a Utah corporation, as licensee, and Eugene P. McCahill, as licensor, for an electric transmission line, recorded September 23, 1949 as Entry No. 86277 in Book 2 of Agreements at Page 623 of the official records of the Iron County Recorder, as assigned pursuant to that certain Agreement and Assignment, dated June 2, 1969, entered into between United States



Steel Corporation, a Delaware corporation, as assignor, and Utah Construction & Mining Co., a Delaware corporation, as assignee, and recorded November 14, 1969 as Entry No. 154230 in Book 149 at Page 286 of the official records of the Iron County Recorder, covering certain real property located in Iron County, Utah, more particularly described as follows:

Parcel I:

Beginning at a point on the west line of Section 29, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears North 1303.5 feet from the southwest corner of said Section 29 and is center line Station 166+81.1; thence north 41°53' east 4032.1 feet along the survey center line to a point on the east line of the northwest quarter of said Section 29, said point bears South 68°38' west 2890.3 feet from the northeast corner of said Section 29 and is center line Station 207+13.2.

Parcel II:

Beginning at a point on the south line of Section 10, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears north 89°51' west 341.2 feet from the south quarter corner of said Section 10 and is center line Station 365+82.3; thence north 41°53' east 2500.7 feet along the survey center line to a point on the east line of the west half of the southeast quarter of said Section 10 and is center line Station 390+83.0.

Parcel III:

Beginning at a point on the south line of the northeast quarter of Section 10, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears north 89°58' west 567.2 feet from the east quarter corner of said Section 10 and is center line Station 402+23.2; thence north 41°53' east 349.6 feet along the survey center line to a point on the east line of said Section 10, said point bears north 632.9 feet from the above-mentioned quarter corner; thence continuing north 41°53' east 2776.6 feet along the survey center line to a point on the north line of the northwest quarter of Section 11, said point bears north 89°43' west 811.4 feet from the north quarter corner of Section 11, Township 36 South, Range 13 West, Salt Lake Base and Meridian and is center line Station 438+49.4.

8. Easement Agreement dated December 1, 1952, entered into between Utah Construction Company, a Utah corporation, as licensee, and various persons, collectively as licensors, for an electric transmission line, recorded February 13, 1953 as Entry No. 95869 in Book 3 of Agreements at Page 249 of the official records of the Iron County Recorder, covering certain real property located in Iron County, Utah, more particularly described as follows:

Beginning at a point on the east line of the northeast quarter of Section 29, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears south 200 feet from the northeast corner of said Section 29; thence west 2640



feet, more or less, to a point 200 feet south of the quarter section corner on the north boundary of Section 29, which point is on the west line of said northeast quarter of said Section 29.

9. Easement Agreement dated September 1, 1953, entered into between The Utah Construction Company, a Utah corporation, as licensee, and Columbia Iron Mining Company, a Utah corporation, as licensor, for a railroad crossing, recorded September 16, 1953 as Entry No. 97715 in Book 3 of Agreements at Page 308 of the official records of the Iron County Recorder, covering certain real property located in Iron County, Utah, more particularly described as follows:

Crossing of Columbia Iron Mining Company transmission line right-of-way with a 100 foot railroad right-of-way at a point which bears north  $13^{\circ}09'$  east 1810.0 feet from the southwest corner of Section 29, Township 36 South, Range 13 West, Salt Lake Base and Meridian, and is center line Station 172+97.7.

10. Industry Track Contract (L.D. No. 15590) dated July 15, 1953, between Los Angeles & Salt Lake Railroad Company, a Utah corporation, and its lessee, Union Pacific Railroad Company, and the Utah Construction Company, a Utah corporation, regarding ore loading trackage at MP 10.94 on the Iron Mountain Branch in Iron County, Utah, as amended by Supplement No. 1 dated September 9, 1955, as assigned by the Utah Construction Company, a Utah corporation, to the Utah Construction Company, a Delaware corporation, by Assignment dated January 31, 1957, and as assigned by BHP-Utah International Inc. or its predecessors in interest and Union Pacific Railroad Company or its predecessors in interest to Basic Manufacturing and Technologies of Utah, Inc., a Utah corporation, by Assignment dated March 17, 1989.

11. Easement Agreement dated October 31, 1962, entered into between Arthur E. Moreton and Ethel T. Moreton, husband and wife, collectively as grantors, and Columbia Iron Mining Company, a Utah corporation, as grantee, and recorded in the official records of Iron County as Entry No. 129379 in Book 5 of Agreements at Page 543, affecting certain real property located in Iron County, State of Utah, more particularly described as follows:

The south half of the Nestor Placer Claim, comprising the southwest quarter of Section 20, Township 35 South, Range 12 West, Salt Lake Base & Meridian, as more particularly described in U.S. Patent No. 11735 (Mineral Certificate No. 3726), dated June 9, 1906, recorded December 27, 1906 in Book A of Patents at Page 395.

12. License dated September 22, 1981 between US Steel-Delaware as licensor and Mountain States Telephone and Telegraph Company, a Colorado corporation, as licensee.

13. License dated October 1, 1991 to Southern Utah Broadcasting Company.

14. Any other leases, agreements, permits and approvals owned, held or hereafter acquired by Seller relating to Seller's mining and agricultural operations and properties in Iron County, Utah, including any discovered after the Effective Date or after the Final Closing.



### **Schedule 2.1.6**

#### **Fixtures, Equipment, Etc.**

All goods, equipment, machinery, inventory, supplies, parts, fixtures, wells, pumps, power lines, rail lines and spurs, loadout facilities, buildings, furniture, furnishings, tools, appliances, drill core, records, files, reports and other tangible and intangible personal property owned, held or hereafter acquired by Seller and located on or used in connection with the Real Property described in Schedule 2.1.1 hereof, the Water Rights described in Schedule 2.1.2 hereof, the Mining Claims described in Schedule 2.1.3 hereof, and the leases, permits, etc. described in Schedule 2.1.5 hereof.



### **Schedule 2.1.7**

#### **Other Assets**

The existing originals and copies of all maps, reports, files and other data and information of whatsoever nature (including file cases and drawers, etc.), regardless of where held, concerning or relating directly or primarily to the Acquired Assets.



## Schedule 6

### Allocation of Purchase Price for Tax Purposes

Assets	\$3,500,000
Liabilities	\$1,300,000
 TOTAL	 \$4,800,000



**Exhibit 11.3.1(a)**

Real Property Deed

AFTER RECORDING, PLEASE RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SPECIAL WARRANTY DEED**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession (Grantor), hereby conveys and warrants against all claiming by, through or under it (but not otherwise) to \_\_\_\_\_, a

\_\_\_\_\_ whose address for purposes of this deed is P.O. Box 492, Milford, Utah 84751 (Grantee), the real property described in Exhibit A hereto, which property is located in Iron County, Utah; EXCEPTING, however, all water rights appurtenant thereto, which water rights are being conveyed to Grantee by separate instrument; and EXCEPTING FURTHER all fixtures and improvements thereon, which fixtures and improvements are being transferred to Grantee by separate instrument; and SUBJECT TO existing agricultural leases; and FURTHER SUBJECT TO all easements, restrictions, encumbrances and other matters of record in the Iron County Recorder's Office; and FURTHER SUBJECT TO the exceptions set forth in that certain Commitment of Title Insurance No. \_\_\_\_\_ dated \_\_\_\_\_, issued by \_\_\_\_\_.

This instrument is executed and delivered pursuant to that certain Asset Purchase Agreement dated December \_\_\_\_, 2004, between Grantor as seller and Western Utah Copper Company, a Utah corporation, and Palladon Ventures Ltd., a British Columbia corporation, as buyers, the terms and conditions of which shall survive the execution and delivery of this instrument.

IN WITNESS WHEREOF Grantor has executed this Special Warranty Deed this \_\_\_\_ day of December, 2004.

Grantor:

IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession

By \_\_\_\_\_  
Ken C. Johnsen, President



STATE OF UTAH )  
 : ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of December, 2004, by Ken C. Johnsen, the President of IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession, on behalf of said entity.

[SEAL]

My commission expires:  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC, residing at  
\_\_\_\_\_



### Exhibit A

That certain parcel of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point on the south boundary of said Section 4, from which the southeast corner of said Section 4 bears N.  $89^{\circ} 26' 49''$  E. 1,828.60 feet, said point being at the intersection of an existing fence along the easterly boundary of Iron Ore Mines LLC's property; running thence along said southerly boundary of Section 4, S.  $89^{\circ} 26' 49''$  W. 1,370.90 feet; thence N.  $00^{\circ} 03' 09''$  W. 1,514.33 feet; thence S.  $89^{\circ} 26' 30''$  W. 1,211.91 feet; thence N.  $00^{\circ} 05' 28''$  E. 2,428.44 feet; thence S.  $89^{\circ} 52' 54''$  E. 2,604.43 feet; thence S.  $00^{\circ} 21' 16''$  W. 3,912.42 feet to the point of beginning.

Those certain parcels of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, and Section 33, Township 35 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the northeast corner of said Section 4; thence S.  $00^{\circ} 12' 02''$  E. 1,694.59 feet along the east boundary line of said Section 4; thence N.  $89^{\circ} 50' 22''$  W. 1,774.22 feet; thence N.  $00^{\circ} 20' 00''$  E. 1,688.51 feet to a point on the north boundary line of said Section 4; thence N.  $89^{\circ} 57' 48''$  E. along said boundary line 1,758.46 feet to the point of beginning;

Also beginning at a point on the north boundary line of said Section 4, from which the northeast corner of said Section 4 bears N.  $89^{\circ} 57' 48''$  E. 1,808.46 feet; thence S.  $00^{\circ} 20' 00''$  W. 1,663.58 feet; thence N.  $89^{\circ} 52' 54''$  W. 2,840.90 feet; thence N.  $00^{\circ} 01' 45''$  E. 1,655.84 feet, to a point on the north boundary line of said Section 4; thence N.  $89^{\circ} 57' 48''$  E. along said boundary line 2,849.72 feet to the point of beginning;

Also beginning at a point from which the southeast corner of said Section 33 bears N.  $89^{\circ} 57' 48''$  E. 850.10 feet (which beginning point is also the northeast corner of said Section 4); thence S.  $89^{\circ} 57' 48''$  W. along the south boundary line of said Section 33 1,758.46 feet; thence N.  $00^{\circ} 20' 00''$  E. 794.65 feet; thence N.  $89^{\circ} 58' 09''$  E. 1,750.03 feet; thence S.  $00^{\circ} 16' 28''$  E. 794.46 feet to the point of beginning.



**Exhibit 11.3.1(b)**

Water Rights Deed

AFTER RECORDING, PLEASE RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**WATER RIGHT DEED**

(Quitclaim)

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession (Grantor), hereby quitclaims to \_\_\_\_\_, a \_\_\_\_\_ whose address for purposes of this deed is P.O. Box 492, Milford, Utah 84751, all of Grantor's right, title and interest in and to water right numbers 71-155, 71-584, 71-801, 71-1181, 71-1197, 71-1205, 71-1234, 71-1279, 71-2402, 71-2403 and 71-2835 (whose points of diversion and places of use are located in Iron County, Utah), as well as any other water rights owned, held or hereafter acquired by Grantor relating to Grantor's mining and agricultural operations and properties in Iron County, Utah, together with any and all change applications and nonuse applications relating thereto, including without limitation approved change application a16450 and approved nonuse application 1688, all as more particularly described in the official records of the Utah Division of Water Rights.

This instrument is executed and delivered pursuant to that certain Asset Purchase Agreement dated December \_\_\_\_\_, 2004, between Grantor as seller and Western Utah Copper Company, a Utah corporation, and Palladon Ventures Ltd., a British Columbia corporation, as buyers, the terms and conditions of which shall survive the execution and delivery of this instrument.

IN WITNESS WHEREOF Grantor has executed this Water Right Deed this \_\_\_\_\_ day of December, 2004.

Grantor:

IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession

By \_\_\_\_\_  
Ken C. Johnsen, President



STATE OF UTAH )  
 : ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of December, 2004, by Ken C. Johnsen, the President of IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession, on behalf of said entity.

[SEAL]

My commission expires:  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC, residing at  
\_\_\_\_\_



**Exhibit 11.3.1(c)**

**Mining Claim Deed**

AFTER RECORDING, PLEASE RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**QUITCLAIM DEED**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession (Grantor), hereby quitclaims to \_\_\_\_\_, a \_\_\_\_\_ whose address for purposes of this deed is P.O. Box 492, Milford, Utah 84751, all of Grantor's right, title and interest in and to the mining claims and real property described in Exhibit A hereto, which claims and property are located in Iron County.

This instrument is executed and delivered pursuant to that certain Asset Purchase Agreement dated December \_\_\_\_, 2004, between Grantor as seller and Western Utah Copper Company, a Utah corporation, and Palladon Ventures Ltd., a British Columbia corporation, as buyers, the terms and conditions of which shall survive the execution and delivery of this instrument.

IN WITNESS WHEREOF Grantor has executed this Quitclaim Deed this \_\_\_\_ day of December, 2004.

Grantor:

IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession

By \_\_\_\_\_  
Ken C. Johnsen, President



STATE OF UTAH )  
 : ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of December, 2004, by Ken C. Johnsen, the President of IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession, on behalf of said entity.

[SEAL]

My commission expires:  
\_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC, residing at  
\_\_\_\_\_



Exhibit A

Those patented mining claims, unpatented mining claims, and other lands, located in Iron County, Utah, described on the following 18 pages, together with any other real property owned, held or hereafter acquired by Grantor relating to Grantor's mining and agricultural operations and properties in Iron County, Utah.

*[Same 18 pages as Schedule 2.1.3]*



**Exhibit 11.3.1(d)**

Bill of Sale

**BILL OF SALE**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession (Seller), does hereby sell, transfer, convey and assign, without warranty of any kind, to \_\_\_\_\_, a \_\_\_\_\_ whose address for purposes of this instrument is P.O. Box 492, Milford, Utah 84751 (Buyer), all of Seller's right, title and interest in and to the personal property described in Exhibit A hereto (the Personal Property).

THIS BILL OF SALE IS MADE AND DELIVERED WITH NO WARRANTIES OF OWNERSHIP OR OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHER EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY WARRANTIES REGARDING THE ENVIRONMENTAL CONDITION OF THE PERSONAL PROPERTY OR THE LANDS ON WHICH IT IS LOCATED. THE PERSONAL PROPERTY IS BEING SOLD AND TRANSFERRED "AS IS, WHERE IS" AND WITH ALL FAULTS. BUYER HEREBY ASSUMES ALL RESPONSIBILITY FOR AND RISK OF OPERATION OF THE PERSONAL PROPERTY.

This Bill of Sale is given pursuant to that certain Asset Purchase Agreement dated December \_\_\_\_\_, 2004, between Seller as seller and Western Utah Copper Company, a Utah corporation, and Palladon Ventures Ltd., a British Columbia corporation, as buyers, the terms and conditions of which shall survive the execution and delivery of this instrument.

This Bill of Sale may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their duly authorized officers effective as of December \_\_\_\_\_, 2004.

Seller:

IRON ORE MINES LLC, a Delaware limited liability company, as debtor and debtor in possession

By \_\_\_\_\_  
Ken C. Johnsen, President



Buyer:

\_\_\_\_\_, a  
\_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_



### Exhibit A

All goods, equipment, machinery, inventory, supplies, parts, fixtures, wells, pumps, power lines, rail lines and spurs, loadout facilities, buildings, furniture, furnishings, tools, appliances, drill core, records, files, reports and other tangible and intangible personal property owned, held or hereafter acquired by Seller and located on or used in connection with the real property, the water rights, the mining claims, and the leases, permits, etc. described below, together with the existing originals and copies of all maps, reports, files and other data and information of whatsoever nature (including file cases and drawers, etc.), regardless of where held, concerning or relating directly or primarily to the assets described below.

#### Real Property

That certain parcel of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point on the south boundary of said Section 4, from which the southeast corner of said Section 4 bears N. 89° 26' 49" E. 1,828.60 feet, said point being at the intersection of an existing fence along the easterly boundary of Iron Ore Mines LLC's property; running thence along said southerly boundary of Section 4, S. 89° 26' 49" W. 1,370.90 feet; thence N. 00° 03' 09" W. 1,514.33 feet; thence S. 89° 26' 30" W. 1,211.91 feet; thence N. 00° 05' 28" E. 2,428.44 feet; thence S. 89° 52' 54" E. 2,604.43 feet; thence S. 00° 21' 16" W. 3,912.42 feet to the point of beginning.

Those certain parcels of land in Iron County, State of Utah, located in Section 4, Township 36 South, Range 15 West, and Section 33, Township 35 South, Range 15 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the northeast corner of said Section 4; thence S. 00° 12' 02" E. 1,694.59 feet along the east boundary line of said Section 4; thence N. 89° 50' 22" W. 1,774.22 feet; thence N. 00° 20' 00" E. 1,688.51 feet to a point on the north boundary line of said Section 4; thence N. 89° 57' 48" E. along said boundary line 1,758.46 feet to the point of beginning;

Also beginning at a point on the north boundary line of said Section 4, from which the northeast corner of said Section 4 bears N. 89° 57' 48" E. 1,808.46 feet; thence S. 00° 20' 00" W. 1,663.58 feet; thence N. 89° 52' 54" W. 2,840.90 feet; thence N. 00° 01' 45" E. 1,655.84 feet, to a point on the north boundary line of said Section 4; thence N. 89° 57' 48" E. along said boundary line 2,849.72 feet to the point of beginning;



Also beginning at a point from which the southeast corner of said Section 33 bears N. 89° 57' 48" E. 850.10 feet (which beginning point is also the northeast corner of said Section 4); thence S. 89° 57' 48" W. along the south boundary line of said Section 33 1,758.46 feet; thence N. 00° 20' 00" E. 794.65 feet; thence N. 89° 58' 09" E. 1,750.03 feet; thence S. 00° 16' 28" E. 794.46 feet to the point of beginning.

#### Water Rights

Water right numbers 71-155, 71-584, 71-801, 71-1181, 71-1197, 71-1205, 71-1234, 71-1279, 71-2402, 71-2403 and 71-2835, as well as any other water rights owned, held or hereafter acquired by Seller relating to Seller's mining and agricultural operations and properties in Iron County, Utah, together with any and all change applications and nonuse applications relating thereto, including without limitation approved change application a16450 and approved nonuse application 1688, all as more particularly described in the official records of the Utah Division of Water Rights.

#### Mining Claims

Those patented mining claims, unpatented mining claims, and other lands, located in Iron County, Utah, described on the following 18 pages, together with any other real property owned, held or hereafter acquired by Seller relating to Seller's mining and agricultural operations and properties in Iron County, Utah.

*[same 18 pages as Schedule 2.1.3]*



Leases, Permits, Etc.

1. Reclamation Contract (No. M/021/008) dated May 5, 1998, between Geneva Steel Company, a Utah corporation, and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining, regarding reclamation of a "disturbed area" of 417.05 acres in the Iron Mountain Mining District, Iron County, Utah, as amended effective May 19, 2000.
2. Lease dated as of May 1, 2000, between Geneva Steel Company, a Utah corporation, as lessor and Darwin Hulet and Clifton Brad Hulet as lessees, regarding agricultural property and associated water rights in Newcastle, Iron County, Utah.
3. Lease dated as of May 1, 2000, between Geneva Steel Company as lessor and Robert Holt Farms, Inc., a Utah corporation, as lessee, regarding agricultural property and associated water rights in Newcastle, Iron County, Utah.
4. Mining Lease and Operating Agreement, both dated November 27, 1961, between Columbia Iron Mining Company, a Utah corporation, as lessee, and Susan M. Tevis, Arthur E. Moreton and Ethel T. Moreton, his wife, and John R. Moreton and Rose Ann P. Moreton, his wife, as lessors, regarding partial interests in the Howard, Sage, Sage Placer No. 1, Cincinnati, Cincinnati No. 3, Cincinnati No. 4, Viola No. 2 and Friendship Tip patented mining claims in Iron County, Utah.
5. Mining Lease and Operating Agreement, both dated May 27, 1958, between Columbia Iron Mining Company, a Utah corporation, as lessee, and Lone Pine Company, a Minnesota corporation, and Cincinnati, Utah and Wyoming Oil Company, a South Dakota corporation, as lessors, regarding partial interests in the Howard, Sage, Sage Placer No. 1, Cincinnati, Cincinnati No. 3, Cincinnati No. 4, Viola No. 2 and Friendship Tip patented mining claims in Iron County, Utah.
6. Contract dated January 7, 1954, between the Utah Construction Company, a Utah corporation, as licensee, and Los Angeles & Salt Lake Railroad Company, a Utah corporation, and Union Pacific Railroad Company, a Utah corporation, collectively as licensors, for a private road crossing, recorded May 21, 1954 as Entry No. 99802 in Book 3 of Agreements at Page 488 of the official records of the Iron County Recorder. Said private road crossing is located in Iron County, Utah, and is across the right-of-way and track of such railroads along a line intersecting the center line of the main track of the Iron Mountain Branch at right angles thereto at Engineer's Station 384+73.4, which is 1,642.3 feet northeasterly, measured along said center line from its intersection with the West line of Section 32, Township 36 South, Range 13 West, Salt Lake Base and Meridian.
7. Easement Agreement dated July 19, 1949, entered into between Columbia Iron Mining Company, a Utah corporation, as licensee, and Eugene P. McCahill, as licensor, for an electric transmission line, recorded September 23, 1949 as Entry No. 86277 in Book 2 of Agreements at Page 623 of the official records of the Iron County Recorder, as assigned pursuant to that certain Agreement and Assignment, dated June 2, 1969, entered into between United States Steel Corporation, a Delaware corporation, as assignor, and Utah Construction & Mining Co., a Delaware corporation, as assignee, and recorded November 14, 1969 as Entry No. 154230 in Book



149 at Page 286 of the official records of the Iron County Recorder, covering certain real property located in Iron County, Utah, more particularly described as follows:

Parcel I:

Beginning at a point on the west line of Section 29, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears North 1303.5 feet from the southwest corner of said Section 29 and is center line Station 166+81.1; thence north  $41^{\circ}53'$  east 4032.1 feet along the survey center line to a point on the east line of the northwest quarter of said Section 29, said point bears South  $68^{\circ}38'$  west 2890.3 feet from the northeast corner of said Section 29 and is center line Station 207+13.2.

Parcel II:

Beginning at a point on the south line of Section 10, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears north  $89^{\circ}51'$  west 341.2 feet from the south quarter corner of said Section 10 and is center line Station 365+82.3; thence north  $41^{\circ}53'$  east 2500.7 feet along the survey center line to a point on the east line of the west half of the southeast quarter of said Section 10 and is center line Station 390+83.0.

Parcel III:

Beginning at a point on the south line of the northeast quarter of Section 10, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears north  $89^{\circ}58'$  west 567.2 feet from the east quarter corner of said Section 10 and is center line Station 402+23.2; thence north  $41^{\circ}53'$  east 349.6 feet along the survey center line to a point on the east line of said Section 10, said point bears north 632.9 feet from the above-mentioned quarter corner; thence continuing north  $41^{\circ}53'$  east 2776.6 feet along the survey center line to a point on the north line of the northwest quarter of Section 11, said point bears north  $89^{\circ}43'$  west 811.4 feet from the north quarter corner of Section 11, Township 36 South, Range 13 West, Salt Lake Base and Meridian and is center line Station 438+49.4.

8. Easement Agreement dated December 1, 1952, entered into between Utah Construction Company, a Utah corporation, as licensee, and various persons, collectively as licensors, for an electric transmission line, recorded February 13, 1953 as Entry No. 95869 in Book 3 of Agreements at Page 249 of the official records of the Iron County Recorder, covering certain real property located in Iron County, Utah, more particularly described as follows:

Beginning at a point on the east line of the northeast quarter of Section 29, Township 36 South, Range 13 West, Salt Lake Base and Meridian, said point of beginning bears south 200 feet from the northeast corner of said Section 29; thence west 2640 feet, more or less, to a point 200 feet south of the quarter section corner on the north



boundary of Section 29, which point is on the west line of said northeast quarter of said Section 29.

9. Easement Agreement dated September 1, 1953, entered into between The Utah Construction Company, a Utah corporation, as licensee, and Columbia Iron Mining Company, a Utah corporation, as licensor, for a railroad crossing, recorded September 16, 1953 as Entry No. 97715 in Book 3 of Agreements at Page 308 of the official records of the Iron County Recorder, covering certain real property located in Iron County, Utah, more particularly described as follows:

Crossing of Columbia Iron Mining Company transmission line right-of-way with a 100 foot railroad right-of-way at a point which bears north 13°09' east 1810.0 feet from the southwest corner of Section 29, Township 36 South, Range 13 West, Salt Lake Base and Meridian, and is center line Station 172+97.7.

10. Industry Track Contract (L.D. No. 15590) dated July 15, 1953, between Los Angeles & Salt Lake Railroad Company, a Utah corporation, and its lessee, Union Pacific Railroad Company, and the Utah Construction Company, a Utah corporation, regarding ore loading trackage at MP 10.94 on the Iron Mountain Branch in Iron County, Utah, as amended by Supplement No. 1 dated September 9, 1955, as assigned by the Utah Construction Company, a Utah corporation, to the Utah Construction Company, a Delaware corporation, by Assignment dated January 31, 1957, and as assigned by BHP-Utah International Inc. or its predecessors in interest and Union Pacific Railroad Company or its predecessors in interest to Basic Manufacturing and Technologies of Utah, Inc., a Utah corporation, by Assignment dated March 17, 1989.

11. Easement Agreement dated October 31, 1962, entered into between Arthur E. Moreton and Ethel T. Moreton, husband and wife, collectively as grantors, and Columbia Iron Mining Company, a Utah corporation, as grantee, and recorded in the official records of Iron County as Entry No. 129379 in Book 5 of Agreements at Page 543, affecting certain real property located in Iron County, State of Utah, more particularly described as follows:

The south half of the Nestor Placer Claim, comprising the southwest quarter of Section 20, Township 35 South, Range 12 West, Salt Lake Base & Meridian, as more particularly described in U.S. Patent No. 11735 (Mineral Certificate No. 3726), dated June 9, 1906, recorded December 27, 1906 in Book A of Patents at Page 395.

12. License dated September 22, 1981 between US Steel-Delaware as licensor and Mountain States Telephone and Telegraph Company, a Colorado corporation, as licensee.

13. License dated October 1, 1991 to Southern Utah Broadcasting Company.

14. Any other leases, agreements, permits and approvals owned, held or hereafter acquired by Seller relating to Seller's mining and agricultural operations and properties in Iron County, Utah.







- (b) Complete Appendix "A"(attached), a legal description of the approved and bonded disturbed acreage (include: Township(s), Range(s), and section(s), *to the 1/4, 1/4, 1/4 section*, and the county).
  - (c) The actual number of acres disturbed by the mining operation through the date of this transfer: \_\_\_\_\_ Acres
  - (d) Attach a topographic map (labeled as Appendix "B") of suitable scale which clearly outlines the existing disturbed area boundaries through the date of this transfer (max. scale, 1 inch = 500 ft., 1 inch = 200 ft., or larger scale is preferred). Label disturbed areas as appropriate.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety.



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

SWORN STATEMENT OF TRANSFEROR

I, \_\_\_\_\_ being first duly sworn under oath, depose and say that I am \_\_\_\_\_ (officer or agent) of \_\_\_\_\_ (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the said application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement I certify that the Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Notice of Intention No. \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (type or print)

\_\_\_\_\_  
Title

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

Residing at: \_\_\_\_\_

My commission Expires:

\_\_\_\_\_, 20\_\_\_\_.



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

FINAL SWORN STATEMENT OF TRANSFEREE

I, \_\_\_\_\_ being first duly sworn under oath, depose and say that I am \_\_\_\_\_ (officer or agent) of \_\_\_\_\_ (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement, the Transferee agrees to be bound by the terms and conditions of Notice of Intention No. \_\_\_\_\_, the Utah Mined Land Reclamation Act, and the Rules and Regulations promulgated thereunder.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (type or print)

\_\_\_\_\_  
Title

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

My commission Expires:

\_\_\_\_\_, 20\_\_\_\_.



## CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant approval of same, subject to the following limitations and conditions:

- (a) This large mining permit transfer grants only the right to affect the lands as described in Appendix "A" (attached).
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety. The surety shall be effective on or before the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired the legal right to mine said lands as described in Appendix "A".
- (d) A topographic map of suitable scale is attached (as Appendix "B") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

### COMMENTS:

APPROVED: \_\_\_\_\_  
Lowell P. Braxton, Director  
Division of Oil, Gas and Mining

Effective Date: \_\_\_\_\_  
NOI No.: \_\_\_\_\_



**APPENDIX "A"**

\_\_\_\_\_  
New Operator

\_\_\_\_\_  
Mine Name

\_\_\_\_\_  
Permit Number

\_\_\_\_\_  
County, Utah

The legal description of the lands to be disturbed is (Township, Range and section(s) to the 1/4, 1/4, 1/4 section):



**Exhibit 11.3.2**

**Mine Permit Assignment**

The Utah Division of Oil, Gas and Mining form (MR-TRL) attached as the following six pages.



**Exhibit 11.3.3**

**Buyer's Reclamation Contract**

The Utah Division of Oil, Gas and Mining form (MR-RC) attached as the following seven pages.



FORM MR-RC  
Revised November 1, 2004  
RECLAMATION CONTRACT

File Number \_\_\_\_\_

Effective Date \_\_\_\_\_

Other Agency File Number \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

\_\_\_\_\_  
\_\_\_\_\_

"MINE LOCATION":  
(Name of Mine)  
(Description)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA":  
(Disturbed Acres)  
(Legal Description)

\_\_\_\_\_  
(Refer to Attachment A)

"OPERATOR":  
(Company or Name)  
(Address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Phone)



"OPERATOR'S REGISTERED AGENT":

Name) \_\_\_\_\_

(Address) \_\_\_\_\_

(Phone) \_\_\_\_\_

"OPERATOR'S OFFICER(S)":

SURETY":

(Form of Surety - Attachment B) \_\_\_\_\_

"SURETY COMPANY":

(Name, Policy or Acct. No.) \_\_\_\_\_

"SURETY AMOUNT":

(Escalated Dollars) \_\_\_\_\_

"ESCALATION YEAR":

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between \_\_\_\_\_ the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. \_\_\_\_\_ which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved/accepted Notice of Intention and Reclamation Plan or Notice received \_\_\_\_\_. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face



amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

\_\_\_\_\_  
Operator Name

By \_\_\_\_\_  
Authorized Officer (Typed or Printed)

\_\_\_\_\_  
Authorized Officer - Position

\_\_\_\_\_  
Officer's Signature

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_  
personally appeared before me, who being by me duly sworn did say that he/she is the  
\_\_\_\_\_ of \_\_\_\_\_ and duly acknowledged  
that said instrument was signed on behalf of said company by authority of its bylaws or  
a resolution of its board of directors and said \_\_\_\_\_ duly  
acknowledged to me that said company executed the same.

\_\_\_\_\_  
Notary Public  
Residing at \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
Mary Ann Wright, Acting Director

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, \_\_\_\_\_  
personally appeared before me, who being duly sworn did say that she, the said  
\_\_\_\_\_ is the Acting Director of the Division of Oil, Gas and  
Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to  
me that she executed the foregoing document by authority of law on behalf of the State  
of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:



ATTACHMENT "A"

Operator \_\_\_\_\_

Mine Name \_\_\_\_\_

\_\_\_\_\_ County, Utah

Permit Number \_\_\_\_\_

**LEGAL DESCRIPTION**

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed \_\_\_\_\_ acres under the approved / accepted permit and surety, as reflected on the attached map labeled \_\_\_\_\_ and dated \_\_\_\_\_:



## Exhibit B

### Bidding Procedures

Iron Ore Mines LLC (the "Debtor" or the "Seller") is the debtor and debtor-in-possession in a bankruptcy case pending under chapter 11 of title 11, U.S. Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the District of Utah (the "Court"). The following are the bidding procedures (the "Bidding Procedures") for use in connection with the sale of certain real and personal property in Iron County, Utah (as defined in the Agreement (defined below), the "Acquired Assets").

On December 13, 2004 the Debtor executed a purchase and sale agreement (the "Agreement") with Western Utah Copper Company and Palladon Ventures, Ltd. (the "Buyer"), with respect to the Buyer's proposed acquisition of the Acquired Assets. The sale (the "Sale") is subject to competitive bidding as set forth herein and approval of the Court.

On December 17, 2004, the Debtor filed a motion seeking certain relief in connection with the Sale (the "Sale Motion"). The hearing (the "Sale") to consider approval of the Sale to the Buyer or the Successful Bidder (as herein defined) is presently scheduled to commence on January 19, 2005, at 11:00 a.m. (Mountain), and may be adjourned from time-to-time by the Court without further notice other than by announcement in open court.

### The Bidding Process

The Seller shall (i) determine whether any person, in addition to the Buyer, is a Qualified Bidder (as defined herein), (ii) coordinate the efforts of the Qualified Bidders in conducting their respective due diligence investigations with respect to the Acquired Assets, (iii) receive bids from Qualified Bidders for the Acquired Assets, and (iv) negotiate any offer made to acquire the Acquired Assets (collectively, the "Bidding Process"). Any person who wishes to participate in the Bidding Process must be a Qualified Bidder. Neither the Seller nor its representatives shall be obligated to furnish any information relating to the Acquired Assets to any person who is not a Qualified Bidder. The Seller shall have the right to amend the rules set forth herein for the Bidding Process or adopt such other written rules for the Bidding Process, subject to the reasonable approval of Buyer, which, in the Seller's reasonable judgment will better promote the goals of the Bidding Process and which are not inconsistent with the terms of the Agreement and, with respect to the Acquired Assets, the Bankruptcy Code or any order entered by the Court.

### Participation Requirements

Unless otherwise ordered by the Court, for cause shown, or as otherwise determined by the Seller in order to participate in the Bidding Process, each person other than the Buyer (a "Potential Bidder") must deliver (unless previously delivered) to the Seller or its advisors:



- (a) an executed confidentiality agreement customary of transactions of this type, in form and substance satisfactory to the Seller;
- (b) current audited financials of the Potential Bidder, or, if the Potential Bidder is an entity formed for the purpose of acquiring the Acquired Assets, current audited financials of the equity holders of the Potential Bidder who shall guarantee the obligations of the Potential Bidder, or such other form of financial disclosure and credit-quality support or enhancement as may be acceptable to the Seller in its sole discretion, in each case that demonstrates that the Potential Bidder has the financial wherewithal to submit a Qualified Bid; and
- (c) a non-binding proposal setting forth the price range for the Acquired Assets.

A "Qualified Bidder" is a Potential Bidder who delivers the documents described in subparagraphs (a), (b) and (c) above, whose financial information and credit-quality support or enhancement demonstrate the financial capability of the Potential Bidder to consummate the purchase of the Acquired Assets, and that the Seller determines is likely (based on availability of financing, experience and other considerations) to be able to consummate the transaction within the time frame contemplated by the Agreement (i.e., no later than the Closing Date).

As promptly as practicable after a Potential Bidder delivers all of the materials required by subparagraphs (i), (ii) and (iii) above, the Seller shall determine, and notify the Potential Bidder in writing, whether the Potential Bidder is a Qualified Bidder. After such notice, the Seller shall allow the Qualified Bidder to conduct due diligence as hereinafter provided.

#### Due Diligence

The Seller shall afford each Qualified Bidder due diligence access to the Acquired Assets. Due diligence access may include access to pertinent business records, on site inspections and such other matters which a Qualified Bidder may request and as to which the Seller, in its sole discretion, may agree. Due diligence shall not continue after the Bid Deadline (as defined herein). The Seller may, in its discretion, coordinate due diligence efforts such that multiple Qualified Bidders have simultaneous access to due diligence materials and/or simultaneous on-site inspections. Neither the Seller nor any of its affiliates (or its respective representatives) are obligated to furnish any information relating to the Acquired Assets to any person other than to Qualified Bidders who make an acceptable preliminary bid. Bidders are advised to exercise their own discretion before relying on any information regarding the Acquired Assets provided by anyone other than the Seller or its representatives.

#### Bid Deadline

A Qualified Bidder that desires to make a bid for the Acquired Assets shall deliver written copies of a sealed bid which conforms to the requirements set forth below to each of the following: (i) Iron Ore Mines LLC., 10 South Geneva Road, Vineyard, Utah 84058 Attn:



Richard Ross, facsimile 801/227-9087 and (ii) Kaye Scholer LLC, Three First National Plaza, 70 W. Madison St., Suite 4100, 60602, Attn: Stephen E. Garcia, facsimile 312/583-2360 on or before 4:30 p.m. (Mountain Time), January 17, 2005 (the "Bid Deadline"). The Seller may extend the Bid Deadline one or more times. If the Seller extends the Bid Deadline, it shall notify all Qualified Bidders.

#### Bid Requirements

A bid is a letter from a Qualified Bidder (other than the Buyer, whose participation as a Qualified Bidder shall be on the terms set forth in the Agreement) (i) stating that the Qualified Bidder offers to purchase all of the Acquired Assets on substantially the same terms and conditions as set forth in the Agreement and (ii) stating that the offer is irrevocable until approval by the Court of a sale of the Acquired Assets. Qualified Bids shall be accompanied by (i) a copy of the Agreement, marked to reflect any proposed changes, (ii) a deposit (the "Good Faith Deposit") in a form of a cashier's check or other means of immediately available funds in the amount of at least \$50,000 payable to Iron Ore Mines LLC, debtor in possession, and (ii) written evidence of a commitment for financing or other evidence of ability to close. Unless waived in writing, the Seller will consider a bid only if it:

- a. is not conditioned on obtaining financing or on the outcome of unperformed due diligence by the Qualified Bidder;
- b. does not request or entitle the Qualified Bidder to any break-up or termination fee, expense reimbursement or similar payment; and
- c. is received by the Bid Deadline.

A bid received from a Qualified Bidder that meets the above requirements is a "Qualified Bid." For purposes hereof, the Agreement executed by the Buyer constitutes a Qualified Bid. A Qualified Bid will be valued based upon a variety of factors such as the net value provided and the likelihood and timing of consummating such transaction. The Seller will not be accepting bids to purchase anything less than all of the Acquired Assets.

#### Initial Bid and Overbid Requirements

Competing bids must be for cash consideration in excess of \$75,000 over the Purchase Price, or \$4,875,000. After any initial Overbid, all further Overbids must be in increments of at least \$25,000.



### "As Is; Where Is"

The sale(s) of the Acquired Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor, its agents or estate, except as provided in the Agreement. All of the Debtor's right, title and interest in and to the Acquired Assets shall be sold free and clear of all interests, liens, claims and encumbrances, (the "Non-Transferred Liens"), with the Non-Transferred Liens to attach to the respective net sale proceeds.

Each bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Acquired Assets and to conduct any and all required due diligence prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Acquired Assets, or the completeness of any information provided in the Bidding Process, except as expressly stated in the Agreement.

### Auction

If there is at least one Qualified Bid other than that of the Buyer, Seller shall conduct an open cry auction (the "Auction") with respect to the Acquired Assets and provide the Buyer with an opportunity to submit additional bids at the Auction. The Auction shall be held on January 18, 2005 at 9:00 a.m. (Mountain), in the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 136 South Main Street #1000, Salt Lake City, Utah 84101, Telephone (801) 320-6700 or such later time or other place as the Seller shall notify the Buyer and all other Qualified Bidders who have submitted Qualified Bids and expressed its intent to participate in the Auction. Only Qualified Bidders will be eligible to participate at the Auction.

In the event there is competitive bidding, at the Auction or otherwise, the Buyer shall have the right but not the obligation to participate in the bidding.

Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Seller determine is relevant, the Seller, in its business judgment, may conduct the Auction in any manner it determines will achieve the maximum value for the Acquired Assets. Seller may adopt rules for bidding at the Auction that, in the Seller's judgment, will better promote the goals of the bidding process and that are not inconsistent with the Bidding Procedures, the Bankruptcy Code or any Court order.

### Successful Bid

As soon as practicable after the Auction, the Seller, in consultation with its advisors, shall (i) review each Qualified Bid on the basis of the factors relevant to the sale process, including those factors affecting the net proceeds to the estates, conditions to closing, if any, and the speed and certainty of consummating the transaction, and (ii) identify the highest or otherwise best



offer for the Acquired Assets (a "Successful Bid," and the Qualified Bidder making such bid, the "Successful Bidder"). At the Sale Hearing, the Debtor shall present for approval the Successful Bid.

#### Acceptance of Qualified Bids

The Seller shall sell the Acquired Assets in accordance with the Agreement to the Buyer or, if a higher or otherwise better Qualified Bid is received and accepted, to the Successful Bidder. The Debtor's presentation to the Court for approval of a Qualified Bid does not constitute the Seller's acceptance thereof. The Seller shall have accepted a bid only when that bid has been approved by the Court at the Sale Hearing.

#### The Sale Hearing

The Sale Hearing is scheduled to commence at 11:00 a.m. (Mountain) on January 19, 2005, before the Hon. Glen Clark, Chief Judge of the U.S. Bankruptcy Court for the District of Utah, U.S. Courthouse, 350 South Main Street #301, Salt Lake City, Utah 84101, Salt Lake City, Utah. At the Sale Hearing, the Debtor will request entry of an order, among other things, authorizing and approving the sale of the Acquired Assets (i) if no other Qualified Bid is received and accepted as a Successful Bid, to the Buyer pursuant to the terms and conditions of the Agreement, or (ii) if a Qualified Bid is accepted, to such Successful Bidder, as determined by the Seller in accordance with the Bidding Procedures, pursuant to the terms and conditions of the Agreement. The Sale Hearing may be adjourned from time-to-time without notice other than by announcement in open court.

Following approval of a sale of the Acquired Assets at the Sale Hearing, if the Successful Bidder fails to consummate the transaction because of a breach or failure to perform on the part of the Successful Bidder, the next highest or otherwise best Qualified Bid for the Acquired Assets, as disclosed at the Sale Hearing, shall be deemed to be the Successful Bid and the Seller shall seek authority to effectuate a sale thereof without further order of Court.

#### Return of Good Faith Deposit

The Good Faith Deposits of all Qualified Bidders shall be retained by the Seller, and all Qualified Bids shall remain open, until approval by the Court of a sale of the Acquired Assets. Unless otherwise agreed, the Good Faith Deposits of all parties that are not the Successful Bidder shall be returned within forty-eight (48) hours of the Sale Hearing.

#### Modifications

The Seller may (a) determine, in its business judgment, which Qualified Bid, if any, is the highest or otherwise best offer and (b) reject at any time before entry of an order of the Court approving a Qualified Bid, any bid that, in Seller's business judgment, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding



Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor, its estate and creditors, except that if the Buyer's bid as reflected in the Agreement is the only Qualified Bid, the foregoing provisions of this sentence shall be inoperative. If the Seller does not receive any Qualified Bid, or if after the Auction the Buyer is declared the Successful Bidder, the Debtor shall report the same to the Court and shall proceed with the Sale Hearing, request entry of an order authorizing and approving the sale of the Acquired Assets to the Buyer free and clear of all liens, claims and encumbrances, as provided in the Agreement. At or before the Sale Hearing, the Court, or consistent with the purposes of the Bidding Procedures to obtain the highest or otherwise best offer or combination of offers for the Acquired Assets, the Seller may impose such other terms and conditions as they may determine to be in the best interests of the Debtor's estates, creditors and other parties in interest; provided that such additional terms and conditions shall not be inconsistent with the Agreement.



Exhibit C

Sale Notice

Stephen E. Garcia  
KAYE SCHOLER LLC  
Three First National Plaza  
Suite 4100  
Chicago, Illinois 60602  
Telephone: (312) 583-2300

Steven J. McCardell (2144)  
LEBOEUF, LAMB, GREENE  
& MACRAE L.L.P.  
1000 Kearns Building  
136 South Main Street  
Salt Lake City, Utah 84101  
Telephone: (801) 320-6700

Andrew A. Kress  
Keith R. Murphy  
KAYE SCHOLER LLP  
425 Park Avenue  
New York, New York 10022  
Telephone: (212) 836-8000

Attorneys for the Debtor and Debtor in Possession

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IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

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In re	)	
	)	
IRON ORE MINES LLC,	)	Chapter 11
	)	Case No. 02-35386 (GEC)
Debtor and Debtor in Possession.	)	Case Nos. 02-35385 through 02-35390 (GEC)
	)	Jointly Administered
	)	
	)	

---

**NOTICE OF HEARING AND OBJECTION DEADLINE ON DEBTOR'S MOTION FOR ENTRY OF ORDER (1) AUTHORIZING AND APPROVING THE SALE OF CERTAIN REAL AND PERSONAL PROPERTY LOCATED IN IRON COUNTY, UTAH TO WESTERN UTAH COPPER COMPANY AND PALLADON VENTURES, LTD. (SUBJECT TO HIGHER AND BETTER OFFERS) OUTSIDE THE ORDINARY COURSE OF BUSINESS AND FREE AND CLEAR OF ALL INTERESTS, LIENS, CLAIMS, AND ENCUMBRANCES, PURSUANT TO 11 U.S.C. § 363(b), (f) and (m), (2) AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS PURSUANT TO 11 U.S.C. § 365 AND (3) AUTHORIZING THE DEBTOR TO PAY A SALES COMMISSION TO GENEVA STEEL LLC**



PLEASE TAKE NOTICE THAT a hearing on the Debtor's Motion For Entry of Order (1) Authorizing and Approving the Sale of Certain Real and Personal Property Located in Iron County, Utah to Western Utah Copper Company and Palladon Ventures, Ltd. (Subject To Higher and Better Offers) Outside the Ordinary Course of Business and Free and Clear of All Interests, Liens, Claims, and Encumbrances, Pursuant to 11 U.S.C. § 363(b), (f) and (m), (2) Authorizing the Debtor to Assume and Assign Certain Executory Contracts Pursuant to 11 U.S.C. § 365, and (3) Authorizing the Debtor to Pay a Sales Commission to Geneva Steel LLC (the "Motion"), a copy of which is served with this notice, has been scheduled before the Honorable Glen E. Clark on the **19th day of January, 2005, at 11:00 a.m. Mountain Time**, or as soon as the matter may be heard, in his courtroom, Room 369, on the Third Floor of the Frank E. Moss United States Courthouse, 350 South Main Street, Salt Lake City, Utah 84101.

PLEASE TAKE FURTHER NOTICE THAT the hearing may be continued from time to time without further notice, except the announcement in open court of the time and place of such continued hearing. The Motion seeks approval of a sale, free and clear of all interests, liens, claims and encumbrances of the certain of the Debtor's real and personal property (the "Acquired Assets") to the Western Utah Copper Company and Palladon Ventures (collectively, the "Buyer") for \$4,800,000 (or to a higher bidder, if any) (bidding and auction procedures are set forth in the Motion), with all interests liens, claims, and encumbrances, if any, to attach to the proceeds of sale.

**PLEASE TAKE FURTHER NOTICE, THAT your rights may be affected as to the matters addressed in the Motion (i.e., your rights as a party in interest in this bankruptcy case, or, if you are holder of a lien in the property, to be heard as to the proposed sale). You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult with one).**

PLEASE TAKE FURTHER NOTICE THAT if you do not want to Court to grant the relief sought in the Motion, or if you want the Court to consider your views on the Motion, then on or before **January 4, 2005 at 4:30 p.m. Mountain Time** you or your attorney must file with the Court a written objection to the Motion explaining your position with the Clerk of the Court at the following address: Clerk, United States Bankruptcy Court, District of Utah, 350 South Main Street, Salt Lake City, Utah 84101. You must also mail a copy to the undersigned counsel. If you desire to present evidence of argument at the hearing, you or your attorney must attend the hearing. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an order granting that relief.

PLEASE TAKE FURTHER NOTICE THAT through this Notice, higher offers for the Acquired Assets are hereby solicited. Higher offers must be on the same terms and conditions provided in the Agreement, other than the purchase price. The deadline for competing bids is **January 17, 2005 at 4:30 p.m. Mountain Time**.

PLEASE TAKE FURTHER NOTICE THAT if qualified competing bids are received, pursuant to the bidding procedures established for the Sale (the "Bidding Procedures"), Seller



will conduct an auction for the Acquired Assets (the "Auction") on **January 18, 2005, at 9:00 a.m. Mountain Time**, in the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 136 South Main Street #1000, Salt Lake City, Utah 84101, Telephone (801) 320-6700. Parties desiring to determine whether an auction will be conducted should contact the undersigned counsel, Stephen E. Garcia, Telephone (312) 583-2300 or Steven J. McCardell, Telephone (801) 320-6700. Participation at the Auction is subject to the Bidding Procedures. The Agreement and the Bidding Procedures are available upon written request from the undersigned.

PLEASE TAKE FURTHER NOTICE THAT at the hearing on the sale the Court may 1) consider any requests to strike a higher offer, and 2) determine further terms and conditions of the sale. If the sale is not completed by the Buyer approved by the Court, the Court, without further hearing, may approve the sale of the Assets to the next highest bidder.

PLEASE TAKE FURTHER NOTICE THAT pursuant to Local Rule 2002-1(b) that if no objections are timely filed, the hearing may be stricken without further notice and the Court may grant the relief requested in the Motion upon ex parte application without further notice.

Dated this 17th day of December, 2004

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& MACRAE L.L.P.  
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Telephone: (212) 836-8000

Attorneys for the Debtor and Debtor in  
Possession



Exhibit D

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

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In re	)	
	)	
IRON ORE MINES LLC,	)	Chapter 11
	)	Case No. 02-35386 (GEC)
Debtor and Debtor in Possession.	)	Case Nos. 02-35385 through 02-35390 (GEC)
	)	Jointly Administered
	)	
	)	

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**ORDER (1) AUTHORIZING AND APPROVING THE SALE OF CERTAIN REAL AND PERSONAL PROPERTY LOCATED IN IRON COUNTY, UTAH TO WESTERN UTAH COPPER COMPANY AND PALLADON VENTURES, LTD. (SUBJECT TO HIGHER AND BETTER OFFERS) OUTSIDE THE ORDINARY COURSE OF BUSINESS AND FREE AND CLEAR OF ALL INTERESTS, LIENS, CLAIMS, AND ENCUMBRANCES, PURSUANT TO 11 U.S.C. § 363(b), (f) and (m) ,(2) AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS PURSUANT TO 11 U.S.C. § 365 AND (3) AUTHORIZING THE DEBTOR TO PAY A SALES COMMISSION TO GENEVA STEEL LLC**

Upon the motion dated December 17, 2004 (the "Motion")<sup>1</sup> of Iron Ore Mines LLC as debtor and debtor-in possession herein (the "Debtor" or the "Seller"), for, inter alia, entry of an order (the "Sale Order") under Sections 363 and 365, of title 11, U.S. Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to (1) authorizing and approving the sale (the "Sale") of certain real and personal property located in Iron County, Utah (the "Acquired Assets") free and clear of all liens, claims and encumbrances, subject to higher and better offers

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Agreement, as the case may be; as to any conflicts with respect to such terms, the meanings contained in the Agreement shall control over those in the Motion.



on substantially the same terms as the asset purchase agreement (the "Agreement," attached hereto as Exhibit 1, including all exhibits thereto), by and among the Debtor and Western Utah Copper Company and Palladon Ventures Ltd. (the "Buyer"), (2) authorizing the Debtor to assume and assign certain executory contracts (the "Assumed Contracts"), and (3) authorizing the Debtor to pay a sales commission to Geneva Steel LLC; the Court having reviewed and considered (i) the Motion, (ii) the objections thereto, if any, and (iii) the arguments of counsel made, and the evidence proffered or adduced, at the hearing held on January 19, 2004; and it appearing that notice of the Motion was good and sufficient under the particular circumstances and that no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate, and other parties in interest; and upon the record of the hearing; and after due deliberation thereon; and good cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:<sup>2</sup>

- A. The Court's exercise of jurisdiction over this matter and over the property of Debtor and its respective estates is proper pursuant to 28 U.S.C. §§ 1334 and § 157.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O).
- C. The statutory predicates for the relief sought in the Motion are Sections 363 and 365 of 11 U.S.C. §§101 et seq (the "Bankruptcy Code") and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure.

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<sup>2</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.



D. As evidenced by the certificate of service previously filed with the Court, and based on the representations of counsel at the hearing, (i) proper, timely, and adequate notice of the Motion and Sale been provided in accordance with Sections 102(1) and 363 of the Bankruptcy Code and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure; (ii) the form and manner of notice was reasonable, sufficient, and appropriate under the circumstances and adequately apprised interested parties of the terms and conditions of the Sale and the relationship between the Debtor and the Buyer; and (iii) no other or further notice of the Motion or Sale is required.

E. A reasonable opportunity to object or to be heard with respect to the Motion and the relief requested in the Motion has been afforded to all interested persons and entities.

F. As demonstrated by (i) the testimony and/or other evidence proffered or adduced at the hearing and (ii) representations of counsel made on the record at the Hearing, the Debtor, has fairly and reasonably assessed the value of the property.

G. The Debtor (i) has full corporate power and authority to execute the Agreement and all other documents contemplated thereby, (ii) has all of the corporate power and authority necessary to consummate the transaction contemplated by the Agreement and the consummation of the Sale contemplated thereby.

H. Subsequent to the filing of the Motion, the Debtor continued to solicit and entertain bids in accordance with the bidding procedures described in the Motion (the "Bidding Procedures").

I. After considering all offers submitted and after extensive consultation with the Debtor's legal advisors, the Debtor has demonstrated sound business justification for the sale of



the Acquired Assets pursuant to Section 363(b) of the Bankruptcy Code in that the Debtor wishes to maximize the value of the Acquired Assets, and the price submitted by the Buyer is the highest and best bid for the Acquired Assets.

J. The Bidding Procedures annexed to the Motion as Exhibit B and utilized by the Debtor were fair and reasonable and were designed to yield the highest and best recovery possible for the Acquired Assets and are hereby ratified and approved.

K. The Agreement constitutes a valid and binding contract between the Debtor and the Buyer.

L. The Buyer is a third-party purchaser, unrelated to the Debtor. The Buyer is not a successor-in-interest to the Debtor.

M. The Agreement was negotiated, proposed, and entered into by the Debtor and Buyer without collusion, in good faith, and from an arm's length bargaining position. No agreement prohibited by Section 363(n) of the Bankruptcy Code exists with respect to the Buyer, and neither the Debtor nor the Buyer have engaged in any conduct that would cause or permit the Agreement to be voided under Section 363(n) of the Bankruptcy Code.

N. The Buyer did not have an undue advantage over the other potential buyers or bidders at any time.

O. The Buyer is a "good faith" purchaser as such term is used in Section 363(m) of the Bankruptcy Code, and, as such, is entitled to all of the protections afforded thereby.

P. The consideration provided by the Buyer for the Acquired Assets pursuant to the Agreement is (i) fair and reasonable, (ii) the highest or otherwise best offer for the Acquired Assets, (iii) will provide a greater recovery for the Debtor's creditors and other interest parties



than would be provided by any other practical alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

Q. The transfer of the Acquired Assets to the Buyer will be a legal, valid and effective transfer of the Acquired Assets, and will vest the Buyer with all rights, title, and interest of the Debtor in the Acquired Assets free and clear of all interests (except as expressly provided in the Agreement or this Order), including, but not limited to, (A) those that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of Debtor's or Buyer's interest in the Acquired Assets, or any similar rights, (B) those relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Acquired Assets prior to final closing of the Sale (the "Final Closing"), (C) (i) all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, rights of first refusal or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership and all debts arising in any way in connection with any agreements, acts, or failures to act, of the Debtor or any of Debtor's predecessors or affiliates, claims (as that term is defined in the Bankruptcy Code), obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, restrictions, interest and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise, including but not limited to claims otherwise arising under doctrines of successor liability to the extent



permitted by law, and (D) liabilities for any claims against Debtor or any of their predecessors or affiliates of any kind or character arising prior to the Final Closing including but not limited to any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger, or substantial continuity, whether known or unknown, now existing or hereafter arising, whether fixed or contingent, with respect to Debtor or any obligations of Debtor (collectively, "Interests").

R. Buyer would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtor, its estate, and its creditors, if the sale of the Acquired Assets to Buyer was not free and clear of all Interests of any kind or nature whatsoever, or if Buyer would, or in the future could, be liable for any of the Interests.

S. The Debtor may sell the Acquired Assets free and clear of all interests of any kind or nature whatsoever (except as expressly permitted or otherwise specifically provided by the Agreement or this Order) because, in each case, one or more of the standards set forth in Section 363(f) of the Bankruptcy Code has been satisfied. Those holders of interests in the Acquired Assets, if any, who did not object to the Motion are deemed to have consented to the sale pursuant to 11 U.S.C. §363(f)(2). Those holders of interests, if any, who did not object fall within one or more of the other subsections of 11 U.S.C. §363(f) and are adequately protected by having their interests, if any, attach to the proceeds of the sale ultimately attributable to the Acquired Assets against or in which they claim or may claim an interest.

T. The sale of the Acquired Assets to the Buyer is a reasonable and valid exercise of the Debtor's business judgment and is otherwise appropriate under Section 363 of the



Bankruptcy Code. The relief requested in the Motion with respect to the Acquired Assets is in the best interests of the Debtor's estate and its creditors.

U. Pursuant to 11 U.S.C. §365, and subject to and conditioned upon the Final Closing of the Sale, the Debtor's assumption and assignment of the Assumed Contracts to the Buyer, and the Buyer's assumption of the on the terms set forth in the Agreement of the Assumed Contracts is hereby approved, and the requirements of 11 U.S.C. §365(b)(1) with respect thereto are hereby deemed satisfied.

V. It is necessary and appropriate for the Court to retain jurisdiction to interpret and enforce the terms of the Sale Order and to adjudicate, if necessary, any and all disputes concerning any provision hereof.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

General Provisions

1. The Motion is granted, as further described herein.
2. All objections to the Motion that have not been withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.

Approval of the Agreement

3. The Agreement, and all of the terms and conditions thereof, is hereby approved.
4. Pursuant to Section 363(b) of the Bankruptcy Code, The Debtor is authorized to perform their obligations under and comply with the terms of the Agreement, and consummate the Sale, pursuant to and in accordance with the terms and conditions of the Agreement.
5. The Debtor is authorized to execute and deliver, and empowered to perform under, consummate and implement, the Agreement, together with all additional instruments and



documents that may be reasonably necessary or desirable to implement the Agreement, and to take all further actions as may be requested by Buyer for the purpose of assigning, transferring, granting, conveying and conferring to Buyer or reducing to possession, the Acquired Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Agreement.

6. This Sale Order and the Agreement shall be binding in all respects upon all creditors (whether known or unknown) of the Debtor, all successors and assigns of Buyer, Debtor and its affiliates, subsidiaries and parent corporations, and any subsequent trustees appointed in Debtor's chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code and shall not be subject to rejection. Nothing contained in any confirmed chapter 11 plan or in the order confirming any such chapter 11 plan shall conflict with or derogate from the provisions of the Agreement or this Sale Order.

7. The Agreement and any related agreements, documents, or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court provided such modification is not material.

#### Transfer of Assets

8. Except as expressly permitted or otherwise specifically provided for in the Agreement or this Sale Order, upon consummation of the Agreement, pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, the Acquired Assets shall be transferred to Buyer, and upon consummation of the Agreement shall be, free and clear of all Interests of any kind or nature whatsoever with all such Interests of any kind or nature whatsoever to attach to the net proceeds of the Sale in the order of their priority, with the same validity, force and effect which



they now have as against the Acquired Assets, subject to any claims and defenses Debtor may possess with respect thereto.

9. Except as expressly permitted or otherwise specifically provided by the Agreement or this Sale Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, holding Interests of any kind or nature whatsoever against or in the Debtor or the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtor, the Acquired Assets, or the transfer of the Acquired Assets to Buyer, hereby are forever barred, estopped, and permanently enjoined from asserting against Buyer, its successors or assigns, its property, or the Acquired Assets, such persons' or entities' Interests.

10. Nothing in the Order or the Agreement shall be construed to release or nullify any liability to any governmental entity under police or regulatory requirements that any entity would be subject to as the owner or operator of property after the date of entry of this Sale Order.

11. Except as expressly permitted or otherwise specifically provided by the Agreement or this Order, the transfer of the Acquired Assets to Buyer pursuant to the Agreement constitutes a legal, valid, and effective transfer of the Acquired Assets, and shall vest Buyer with all right, title, and interest of the Debtor in and to the Acquired Assets free and clear of all Interests of any kind or nature whatsoever.

12. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Interests in the Debtor or the



Acquired Assets shall not have delivered to Debtor prior to Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Interests which the person or entity has with respect to the Debtor or the Acquired Assets or otherwise, then (a) Debtor is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets and (b) Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in the Acquired Assets of any kind or nature whatsoever.

#### Additional Provisions

13. The consideration provided by Buyer for the Acquired Assets shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

14. The consideration provided by Buyer for the Acquired Assets is fair and reasonable and may not be avoided under Section 363(n) of the Bankruptcy Code.

15. Upon Final Closing, each of Debtor's creditors is authorized and directed to execute such documents and take all other actions as may be necessary to release its Interests in the Acquired Assets, if any, as such Interests may have been recorded or may otherwise exist.

16. This Sale Order shall be binding upon and shall govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other



persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Acquired Assets.

17. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

18. All entities who are presently, or as of Final Closing may be, in possession of some or all of the Acquired Assets are hereby directed to surrender possession to Buyer at Final Closing.

19. Under no circumstances shall Buyer be deemed a successor of or to Debtor for any Interest against or in Debtor or the Acquired Assets of any kind or nature whatsoever. The sale, transfer, assignment and delivery of the Acquired Assets shall not be subject to any Interests, and Interests of any kind or nature whatsoever shall remain with, and continue to be obligations of, Debtor. All persons holding Interests against or in Debtor or the Acquired Assets of any kind or nature whatsoever (including but not limited to, Debtor and/or their respective successors, including any trustees thereof, creditors, employees, unions, former employees and shareholders, administrative agencies, governmental units, secretaries of state, federal, state and local officials, maintaining any authority relating to any environmental, health and safety laws, and their respective successors or assigns) shall be, and hereby are, forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing such Interests of any kind or nature whatsoever against Buyer, its property, its successors and assigns, or the Acquired



Assets, as an alleged successor or otherwise, with respect to any Interest of any kind or nature whatsoever such person or entity had, has, or may have against or in Debtor, their estates, officers, directors, shareholders, or the Acquired Assets. Following Final Closing, no holder of an Interest in Debtor shall interfere with Buyer's title to or use and enjoyment of the Acquired Assets based on or related to such Interest, or any actions that Debtor may take in this case.

20. The Court shall retain jurisdiction to enforce and implement the terms and provisions of the Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Acquired Assets to Buyer, (b) compel delivery of the purchase price or performance of other obligations owed to The Debtor, (c) resolve any disputes arising under or related to the Agreement, except as otherwise provided therein, (d) interpret, implement, and enforce the provisions of this Sale Order, and (e) protect Buyer against (i) any of the excluded liabilities or (ii) any Interests in Debtor or the Acquired Assets, of any kind or nature whatsoever, attaching to the proceeds of the Sale.

21. The transactions contemplated by the Agreement are undertaken by Buyer in good faith, as that term is used in Section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to Buyer, unless such authorization is duly stayed pending such appeal. Buyer is a buyer in good faith of the Acquired Assets, and is entitled to all of the protections afforded by Section 363(m) of the Bankruptcy Code.

22. The terms and provisions of the Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, Debtor, their estates, and their creditors,



Buyer, and its respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting an Interest in the Acquired Assets to be sold to Buyer pursuant to the Agreement, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

23. The failure specifically to include any particular provisions of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

24. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in writing, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on Debtor's estates.

25. The Debtor is authorized to pay Geneva Steel LLC a sales commission equal to \$1,032,000, which represents twenty-one and one-half percent (21.5%) of the gross proceeds of the Sale.



26. Notwithstanding paragraphs 9-13, 15, 17-20, or any other paragraph, this Order does not change or affect the obligations and responsibilities, if any, of the Seller or the Buyer under the Utah Solid and Hazardous Waste Management Act, UCA Sections 19-6-101 et seq., the Utah Water Pollution Control Act, UCA Sections 19-5-101 et seq., or the Federal Resource Conservation and Recovery Act, 42 USCA Sections 6901 et seq., as they apply or pertain to the Acquired Assets.

Dated: Salt Lake City, Utah  
\_\_\_\_\_, 2005

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GLEN E. CLARK, CHIEF UNITED STATES  
BANKRUPTCY JUDGE



EXHIBIT E

Cure Notice

IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

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In re	)
	)
IRON ORE MINES LLC,	) Chapter 11
	) Case No. 02-35386 (GEC)
Debtor and Debtor in Possession.	) Case Nos. 02-35385 through 02-35390 (GEC)
	) Jointly Administered
	)
	)

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**NOTICE OF (1) ASSUMPTION AND ASSIGNMENT OF EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES AND (2) CURE AMOUNTS**

PLEASE TAKE NOTICE THAT:

1. On December 17, 2004, Iron Ore Mines LLC. (the "Debtor") filed the Debtor's Motion For Entry of Order (1) Authorizing and Approving the Sale of Certain Real and Personal Property Located in Iron County, Utah to Western Utah Copper Company and Palladon Ventures, Ltd. (Subject To Higher and Better Offers) Outside the Ordinary Course of Business and Free and Clear of All Interests, Liens, Claims, and Encumbrances, Pursuant to 11 U.S.C. § 363(b), (f) And (m), (2) Authorizing the Debtor to Assume and Assign Certain Executory Contracts Pursuant to 11 U.S.C. § 365 and (3) Authorizing the Debtor to Pay a Sales Commission to Geneva Steel LLC (the "Motion") with the U.S. Bankruptcy Court for the District of Utah (the "Court").

2. In connection with the Motion, the Debtor and Western Utah Copper Company and Palladon Ventures Ltd. (the "Buyer") have entered into an asset sale agreement (the "Agreement") dated as of December 13, 2004. The Agreement sets forth the terms and conditions for the proposed sale (the "Sale") to Buyer or the successful bidder(s) (collectively, the "Successful Bidder") of certain assets (as defined in the Agreement, the "Acquired Assets") previously used in the business of the Debtor.

3. In the Motion, the Debtor also requested authorization to assume and assign to the Buyer or the Successful Bidder certain leases, licenses, permits, and property that did not require the consent of any third party that were related to the Acquired Assets (the "Assumed Contracts"). A list of the Assumed Contracts that the Debtor wishes to assume and assign to the Buyer or Successful Bidder is attached hereto as Exhibit A (the "Assumed Contracts"). Such



assumptions and assignments are to be effective as of the final closing (the "Final Closing") of the Sale.

4. At Final Closing or as soon thereafter as practicable, the Buyer or the Successful Bidder will pay the prepetition arrearages reflected on Debtor's books and records as owing in connection with the Assumed Contracts that the Buyer elects to assume, which amounts (the "Cure Amounts") are set forth on Exhibit A. The Debtor's books and records reflect that all postpetition amounts owing in connection with the Assumed Contracts have been paid and will continue to be paid up through Final Closing, and that other than the Cure Amounts set forth on Exhibit A, there are no other defaults under the Assumed Contracts.

5. Objections you may have, if any, to the proposed assumption and assignment of your Assumed Contract(s) or the respective Cure Amounts set forth on Exhibit A (i) must be made in writing, (ii) must state the factual and legal bases for your objection(s), (iii) must state with specificity the cure amounts you allege are owing, (iv) must attach documents supporting your alleged cure amounts, and (v) must be filed with the Clerk for the U.S. Bankruptcy Court for the District of Utah, U.S. Courthouse, 350 South Main Street #301, Salt Lake City, Utah 84101, not later than January 17, 2004 at 4:30 p.m. (Mountain) (the "Objection Deadline"), and served so as to be received by the undersigned attorneys, Kaye Scholer LLC and LeBoeuf, Lamb, Greene & MacRae L.L.P., on or before the Objection Deadline.

6. If an objection is filed in accordance with the procedures set forth above, a hearing with respect to such objection will be held before the Court at the hearing to consider the approval of the Sale, which is scheduled to commence on January 19, 2005, at 11:00 a.m. (Mountain) (the "Hearing").

7. At any time prior to commencement of the Hearing, the Debtor or the Buyer may amend their decision with respect to the assumption and assignment of your Assumed Contract(s).

**[Remainder of Page Intentionally Left Blank]**



Dated: Salt Lake City, Utah  
\_\_\_\_\_, 2004

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Attorneys for the Debtor and Debtor in  
Possession